STRATTON
RESOURCES INC.

(An exploration stage company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2015 and 2014

Unaudited

(Expressed in Canadian dollars unless otherwise stated)

STRATTON RESOURCES INC.

(the "Company")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2015 and 2014

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

November 30, 2015

STRATTON RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position

Unaudited - (Expressed in Canadian dollars)

		As at September 30, 2015		As at December 31, 2014
Assets				
Current assets:				
Cash	$	231,884	$	349,440
Amounts receivable		4,216		5,803
Prepaid expenses and deposits (note 6)		7,759		6,879
		243,859		362,122
Non-current assets:				
Exploration and evaluation assets (note 3)		–		325,334
Total assets	**$**	**243,859**	**$**	**687,456**
Liabilities and Equity				
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	11,761	$	32,153
Note payable (note 6)		609,388		609,388
		621,149		641,541
Equity				
Share capital (note 4)		29,086,748		29,086,748
Equity reserves (note 5)		5,039,680		5,039,680
Deficit		(34,503,718)		(34,080,513)
		(377,290)		45,915
Total liabilities and equity	**$**	**243,859**	**$**	**687,456**

Going concern (note 2(e))

Approved on behalf of the Board of Directors:

"Shawn Wallace"
Director

"Steve Cook"
Director

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

STRATTON RESOURCES INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Unaudited - (Expressed in Canadian dollars, except share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Administration expenses:				
Consulting fees, directors' fees, wages and benefits	$ 10,632	$ 10,768	$ 32,540	$ 33,486
Legal and professional fees	197	5,257	21,203	21,511
Regulatory, transfer agent and shareholder information	1,053	1,786	16,372	18,416
Office and administration	5,811	6,716	24,516	25,524
Travel, promotion and investor relations	422	2,423	865	8,706
Bank charges	264	219	833	771
	18,379	27,169	96,329	108,414
Other expenses (income):				
Write-off exploration and evaluation assets	325,334	-	325,334	–
Interest and other income	(870)	(64)	(1,164)	(1,196)
Exploration and evaluation expenditures	-	-	3,690	–
Foreign exchange gain	(500)	(1,513)	(984)	(141)
	323,964	(1,577)	326,876	(1,337)
Net loss and comprehensive loss for the year	**$ 342,343**	**$ 25,592**	**$ 423,205**	**$ 107,077**
Basic and diluted loss per share	$ 0.01	$ 0.00	$ 0.01	$ 0.00
Weighted average number of common shares outstanding	36,724,164	36,724,164	36,724,164	36,724,164

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

STRATTON RESOURCES INC.
Condensed Consolidated Interim Statements of Changes in Equity

Unaudited - (Expressed in Canadian dollars, except share amounts)

	Number of shares	Share capital	Equity reserves			Deficit	Total
			Warrants	Share-based payments	Shares issuable		
Balance at December 31, 2013	36,724,164	$ 29,086,748	$ 1,696,913	$ 3,278,517	$ 64,250	$ (33,947,626)	$ 178,802
Net loss and comprehensive loss for the period	–	–	–	–	–	(107,077)	(107,077)
Balance at September 30, 2014	36,724,164	$ 29,086,748	$ 1,696,913	$ 3,278,517	$ 64,250	$ (34,054,703)	$ 71,725
Balance at December 31, 2014	36,724,164	$ 29,086,748	$ 1,696,913	$ 3,278,517	$ 64,250	$ (34,080,513)	$ 45,915
Net loss and comprehensive loss for the period	–	–	–	–	–	(423,205)	(423,205)
Balance at September 30, 2015	36,724,164	$ 29,086,748	$ 1,696,913	$ 3,278,517	$ 64,250	$ (34,503,718)	$ (377,290)

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

STRATTON RESOURCES INC.

Condensed Consolidated Interim Statements of Cash Flows

Unaudited - (Expressed in Canadian dollars)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cash (used in) provided by:				
Operating activities:				
Net loss and comprehensive loss for the period	$ (342,343)	$ (25,592)	$ (423,205)	$ (107,077)
Items not involving cash:				
Unrealized foreign exchange (loss) gain	(521)	399	(1,039)	1,007
Interest income classified as investing activity	(870)	(64)	(1,164)	(1,196)
Write-off exploration and evaluation assets	325,334	–	325,334	–
Changes in non-cash working capital:				
Amounts receivable	1,874	19,804	1,587	157,892
Prepaid expenses and deposits	1,833	3,175	(880)	4,347
Accounts payable and accrued liabilities	(11,724)	(3,051)	(10,357)	(25,826)
Cash (used in) provided by operating activities	(26,417)	(5,329)	(109,724)	29,147
Investing activities:				
Exploration and evaluation expenditures (note 8)	–	(156)	(10,035)	(1,156)
Interest received	870	64	1,164	1,196
Cash provided by (used in) investing activities	870	(92)	(8,871)	40
Effect of foreign exchange rate changes on cash	521	(399)	1,039	(1,007)
(Decrease) increase in cash	(25,026)	(5,820)	(117,556)	28,180
Cash, beginning of the period	256,910	331,266	349,440	297,266
Cash, end of period	**$ 231,884**	**$ 325,446**	**$ 231,884**	**$ 325,446**

Supplemental cash flow information (note 8)

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

1. Corporate information

Stratton Resources Inc. ("the Company") is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange ("the Exchange") as a Tier 2 mining issuer, and its shares trade under the symbol SI.V.

The Company and its subsidiaries are principally engaged in the acquisition, exploration, and development of mineral property interests in North America. The Company has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, obtaining the necessary mining permits, and on future profitable production or the proceeds from the disposition of the exploration and evaluation assets.

Effective November 2015, the Company let lapse the claims of its 100% owned Lunar project and no longer holds an interest in a Tier 2 Property ("Qualifying Property"), as defined by the rules of the Exchange, as is now pursuing other mineral property opportunities.

The business of the Company involves a high degree of risk and there is no assurance that the Company will identify appropriate properties for acquisition or investment and even if so identified and warranted, that it will be able to finance the acquisition or investment. In the event that the Company is not able to identify an appropriate mineral property for acquisition or investment in accordance with the listing requirements of the Exchange, there is a risk that the Company, at the discretion of the Exchange, will be transferred to the NEX Board as an inactive company.

The head office and principal address of the Company is located at 1199 Hastings Street, Suite 600, Vancouver, British Columbia, V6E 3T5. Canada.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the year ended December 31, 2014 and 2013, except for new accounting standards adopted commencing January 1, 2015 as described in note 2(f). These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 and 2013,

These unaudited condensed consolidated interim financial statements were authorized for issue and approved by the Board of Directors of the Company on November 30, 2015.

(b) Basis of measurement and consolidation

The condensed consolidated interim financial statements have been prepared on a historical cost basis.

The Company's functional currency is the Canadian dollar, which is also the Company's presentation currency. These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted.

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiaries as follows:

Unaudited – (Expressed in Canadian Dollars, unless otherwise stated)

2. Basis of presentation (continued)

(b) Basis of measurement and consolidation (continued)

Subsidiary	Jurisdiction	Ownership
Stratton Resources (Canada) Inc.	Canada	100%
Stratton Resources Holdings Corp. (inactive)	Canada	100%

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

Intercompany balances and transactions have been eliminated on consolidation.

(c) Critical estimates and judgement

The preparation of consolidated interim financial statements in conformity with IFRS requires the Company's management to make estimates and assumptions about future events that affect the amounts reported in the condensed consolidated interim financial statements and related notes. Actual results may differ from those estimates. Information about areas of judgment and key sources of uncertainty and estimation is contained in the accounting policies and the notes to the Company's audited consolidated financial statements for the year ended December 31, 2014.

(d) Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency by the use of the exchange rate in effect at the date of the transaction. Unsettled monetary assets and liabilities denominated in foreign currencies are translated into the functional currency by using the exchange rate in effect at the statement of financial position date and the related translation differences are recognised in net income (loss).

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in effect at the dates of the initial transactions and are not subsequently remeasured. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined and related translation differences are recognized in net income (loss) or other comprehensive income (loss) consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

(e) Going concern of operations

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue to realize its assets and meet its liabilities in the normal course of business as a 'going concern'. The Company has incurred losses since inception and has no source of operating revenue. As at September 30, 2015, the Company has a net working capital deficit of $377,290, had a deficit of $34,503,718 and incurred a net loss of $342,343 and $423,205 for the three and nine months ended September 30, 2015, respectively.

The cash balance of $231,884 at September 30, 2015 is sufficient to meet the cash requirements for the Company's administrative overhead for at least the next twelve months as long as the note payable (note 6(a)) is not called. The holder of the note payable, a related party, has indicated in writing that they will not call the note payable within the next twelve months. The Company's future exploration project acquisition will be dependent on the Company's successful raising of additional funds through the issuance of equity.

Management considers that the current economic environment is difficult and the outlook for junior exploration companies presents significant challenges in terms of raising funds through issuance of shares. The Company has been and remains dependent on its capacity to raise funds via equity issuances, under terms that are consistent with the best interests of shareholders, in order to finance its operations. The Company has been successful in raising equity financing in previous years, however, there can be no assurance the Company will continue to be. Management have instituted measures to preserve cash through significantly decreasing its corporate costs and exploration expenditures, and in addition, it has negotiated with related parties extended payment terms on outstanding payables. Management is also pursuing alternative sources of funding.

2. Basis of presentation (continued)

(e) Going concern of operations (continued)

Management has concluded that the combination of these circumstances represent a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Nevertheless, Management has a reasonable expectation that the Company has adequate resources to continue its current operations for the foreseeable future.

These condensed consolidated interim financial statements contain no provisions for adjustments, which may become necessary if the Company becomes unable to continue on a 'going concern' basis. Such adjustments could be material.

(f) Application of new and revised standards

The following new accounting standards are not yet effective and will be adopted by the Company in future periods. The Company is currently evaluating the impact of these new standards on its consolidated financial statements. Based on the Company's current operations, it is not anticipated that these standards will have a material impact on the consolidated results and associated disclosures in the financial statements.

i) IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial instruments and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

ii) IFRS 7 – Financial Instruments Disclosures (effective January 1, 2018) requires new disclosures resulting from the amendments to IFRS 9.

iii) IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted.

3. Exploration and evaluation assets

Lunar – Molybdenum Prospect

On August 17, 2011, the Company entered into an agreement with Homegold Resources Ltd ("Homegold"), a British Columbia company, to acquire 30 claims (12,509 hectares) known as the Lunar property ("Lunar"), in British Columbia for $70,000 and a number of contingently issuable shares as described below. The $70,000 was paid to Homegold against transfer of the claims to the Company. Subsequent to that, the Company staked additional 9 claims adjacent to Lunar.

Under the terms of the agreement, in the event the Company spends $2,000,000 on exploring the Lunar claims, it will issue 50,000 common shares to Homegold and 50,000 to Xstract Resources Inc. ("Xstract"), a British Columbia company, as consideration for Xtracts's previous legal rights to the Lunar property. If the Company spends an additional $3,000,000 it will issue an additional 150,000 shares to Xstract and upon spending a further $5,000,000 ($10,000,000 total), the Company will issue Xstract a further 250,000 shares. In the event of a commercial production decision another $500,000 will be paid to Homegold and after 6 years a minimum $72,000 per year will have to be paid in advance royalties to Homegold. Homegold also holds a 2% net smelter returns royalty ("NSR") on the property.

Effective November 2015, the Company let lapse the claims of its 100% owned Lunar project and wrote-off the capitalized acquisition, exploration and evaluation costs related to this project. As a result the Company does not have any interest in this project.

The Company capitalized the following costs as mineral property interest:

Unaudited – (Expressed in Canadian Dollars, unless otherwise stated)

3. Exploration and evaluation assets (continued)

Lunar Project	June 30, 2015	December 31, 2014
Balance at the beginning of the period	$ 325,344	$ 317,310
Deferred exploration costs:		
Permitting fees	-	1,000
Geological and geophysical fees	-	10,035
Mining exploration tax credit	-	(3,011)
Write-off exploration and evaluation assets	(325,344)	-
Balance at the end of the period	$ -	$ 325,344

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to it is in good standing.

4. Share capital

(a) Authorized

Unlimited common shares without par value.

(b) Common shares issuance

I. Period ended September 30, 2015

During the nine months ended September 30, 2015, the Company did not issue any additional common shares.

II. Year ended December 31, 2014

During the year ended December 31, 2014, the Company did not issue any additional common shares.

5. Equity reserves

Share-based payments

The Company maintains a Rolling Share-based Option Plan providing for the issuance of stock options up to 10% of the Company's issued and outstanding common shares. The Company may grant from time to time stock options to its directors, officers, employees and other service providers. The stock options vest 25% on the date of the grant and 12½% every three months thereafter for a total vesting period of 18 months.

As at September 30, 2015 and December 31, 2014, the Company has no stock options outstanding or exercisable.

6. Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Universal Mineral Services Ltd.(a)	$ 18,765	$ 17,645	$ 64,947	$ 60,134

Unaudited – (Expressed in Canadian Dollars, unless otherwise stated)

6. Related party transactions (continued)

(a) Universal Mineral Services Ltd. ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on a cost recovery basis. The Company also holds a 50% non-voting equity interest in UMS, which is carried at cost. As at September 30, 2015, the outstanding payable balance was $5,281 (December 31, 2014 - $5,844) and prepaid expenses and deposits balance was $6,000 (December 31, 2014 - $6,000).

Effective June 30, 2013, UMS agreed to settle historic payable balances totaling $609,388 with a note payable for an equivalent value. The note payable bears no interest, has a maturity of December 31, 2015 and is extendable for an additional twelve months at the mutual agreement. The note payable is due on demand.

Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members:

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Short-term benefits**	$ 4,375	$ 5,730	$ 12,128	$ 17,190

** An amount of $4,375 and $12,128 for the three and nine month periods, respectively, is included in related party transactions with UMS (three and nine months ended September 30, 2014 - $5,730 and $17,190, respectably).

7. Financial instruments

The Company's financial instruments consist of cash, amounts receivables, accounts payable and accrued liabilities and note payable. The fair value of these financial instruments approximate their carrying values due to their short-term maturity.

The Company's financial instruments are exposed to liquidity risk, capital risk and market risks, which include currency risk and interest rate risk. As a result, the Company is exposed to potential losses from these risks as outlined below.

(a) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that is contractual obligations pertaining to accounts payable and accrued liabilities will be satisfied within one year. As outlined in note 2(e) the Company's liquidity position is dependent on the note payable not being called or, in the event it was, raising additional funds through issuance of equity.

(b) Capital risk management

The Company manages its cash, share capital and equity reserves as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements.

Unaudited – (Expressed in Canadian Dollars, unless otherwise stated)

7. Financial instruments (continued)

(c) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the company is exposed are as follows:

(i) Foreign currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not use any hedges or other derivatives to mitigate the risk against foreign exchange fluctuations.

The Company did not have any significant foreign currency risk exposure as at September 30, 2015 and December 31, 2014.

(ii) Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risks is limited to potential increases or decreases on the interest rate offered on cash held at chartered Canadian financial institutions, which would result in higher or lower relative interest income. This risk is considered to be minimal.

8. Supplemental cash flow information

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Change in accounts payable included in exploration and evaluation assets	$ -	$ -	$ 10,035	$ -

9. Segmented information

The Company operates as one operating segment being acquisition, exploration and development of mineral resource properties. As at September 30, 2015 and December 31, 2014, all of the Company's non-current assets are located in Canada.

The Company's revenues were all obtained in Canada from interest earned on cash balances.