First Quarter 2015
Management's Discussion and Analysis
As of May 13, 2015

This management's discussion and analysis ("MD&A") of financial results and condition of Corridor Resources Inc. ("Corridor" or the "Company") for the three months ended March 31, 2015 should be read in conjunction with Corridor's unaudited condensed financial statements and notes thereto for the three months ended March 31, 2015, audited financial statements and notes thereto for the year ended December 31, 2014 and the MD&A for the year ended December 31, 2014 ("2014 Annual MD&A"), copies of which are available on the Company's website at www.corridor.ca and through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

All amounts referred to in this MD&A are in Canadian dollars unless otherwise stated.

Additional information about Corridor, including its annual information form for the year ended December 31, 2014 (the "Annual Information Form"), is available on SEDAR at www.sedar.com.

Introduction

Corridor is an Eastern Canadian junior resource company engaged in the exploration for and development and production of petroleum and natural gas onshore in New Brunswick and Québec and offshore in the Gulf of St. Lawrence. Corridor currently has natural gas production and reserves in the McCully Field near Sussex, New Brunswick. In addition, Corridor has discovered unrecoverable resources in Elgin, New Brunswick and a 21.67% interest in Anticosti Hydrocarbons L.P. ("Anticosti Hydrocarbons"), a joint venture which has undiscovered resources on Anticosti Island, Québec.

Selected Financial Information

	Three months ended March 31	
thousands of dollars except per share amounts	**2015**	2014
Sales	**$ 10,098**	$ 11,713
Net income	**$ 3,692**	$ 4,009
Net income per share – basic and diluted	**$ 0.042**	$ 0.045
Cash flow from operations[(1)]	**$ 7,612**	$ 8,073
Capital expenditures	**$ 545**	$ 805
Total assets	**$ 167,926**	$ 183,985

(1) "Cash flow from operations" is a non-IFRS measure; see "Non-IFRS Financial Measures".

Non-IFRS Financial Measures

This MD&A refers to "cash flow from operations" which is a financial measure that is not determined in accordance with International Financial Reporting Standards ("IFRS"). This measure does not have a standardized meaning and may not be comparable to similar measures presented by other companies. "Cash flow from operations" is used by the Company to analyse operating performance, leverage and liquidity and is included in this MD&A because it is believed to facilitate the understanding of the results of Corridor's operations and financial position.

Cash flow from operations represents cash provided by operating activities excluding the change in non-cash operating working capital, as follows:

thousands of dollars	**Three months ended March 31** **2015**	2014
Cash provided by operating activities	**$ 7,030**	$ 7,663
Less: Increase in non-cash operating working capital	**(582)**	(410)
Cash flow from operations	**$ 7,612**	$ 8,073

Forward Looking Information

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements pertaining to the following:

- natural gas sales;
- production levels;
- exploration and development plans (including plans of the Anticosti joint venture);
- Canadian – U.S. dollar exchange rate;
- natural gas prices and premiums;
- gathering, processing and transportation fees;
- royalty rates and expense;
- royalty payments in respect of historical production;
- production expense;
- transportation expense;
- depletion, depreciation and amortization;
- development costs and reserves;
- general and administrative expenses;
- share-based compensation expense;
- timing as to when the Company will be cash taxable;
- capital expenditures;
- exploration and development drilling program;
- cash flow from operations;
- sources of funding;
- 2015 budget and capital program;
- net positive working capital;
- level of bank debt; and
- government regulation.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

Forward-looking statements are based on the agreements governing the Anticosti joint venture and the Company's current beliefs as well as assumptions made by, and information currently available to, the Company including information concerning anticipated financial performance, business prospects, strategies, regulatory developments, future natural gas and oil commodity prices, exchange rates, future natural gas production levels, the ability to obtain equipment in a timely manner to carry out development activities, the ability to market natural gas successfully to current and new customers, the impact of increasing competition, the ability to obtain financing on acceptable terms, the ability to add production and reserves through development and exploration activities and the terms of agreements with third parties such as the Company's forward sales and transportation agreements and the Anticosti joint venture agreement. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Unknown risks and uncertainties include, but are not limited to: risks associated with oil and gas exploration, substantial capital requirements and financing, volatility of natural gas and oil prices, government regulation, environmental, hydraulic fracturing, third party risk, dependence on key personnel, co-existence with mining operations, availability of drilling equipment and access, risks may not be insurable, variations in exchange rates, expiration of licenses and leases, reserves and resources estimates, development and/or acquisition of oil and natural gas properties, trading of common shares, seasonality, competition, management of growth, conflicts of interest, issuance of debt, title to properties and hedging. Further information regarding these factors and additional factors may be found under the heading "Risk Factors" in the Annual Information Form. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive.

Certain of the forward-looking statements in this MD&A may constitute "financial outlooks" as contemplated by National Instrument 51-102 *Disclosure Obligations*, including information related to projected cash flow from operations, revenues, expenses, capital expenditures, working capital and debt levels for 2015, which are provided for the purpose of forecasting the financial position of Corridor at the end of the 2015 financial year. Please be advised that the financial outlook in this MD&A may not be appropriate for purposes other than the one stated above.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Outlook Information

The outlook sections of this MD&A contain revisions to the outlook information disclosed in the 2014 Annual MD&A dated March 30, 2015 and the press release dated May 1, 2015, both of which are available on the Company's website at www.corridor.ca and on SEDAR at www.sedar.com.

Q1 2015 Financial Summary

	Three months ended March 31	
thousands of dollars	**2015**	2014
Sales	**$ 10,098**	$ 11,713
Royalty expense	**(263)**	(1,152)
Revenues, net	**9,835**	10,561
Expenses		
Depletion, depreciation and amortization	**2,194**	2,237
Transportation expense	**965**	973
Production expense	**766**	828
General and administrative expenses	**888**	880
Share-based compensation expense	**124**	142
	4,937	5,060
Income before the following items	**4,898**	5,501
Foreign exchange gains	**325**	151
Interest and other income	**78**	50
Interest and finance costs	**(63)**	(58)
Equity loss	**(43)**	-
Income before income taxes	**5,195**	5,644
Deferred income tax expense	**1,503**	1,635
Net income and comprehensive income	**$ 3,692**	$ 4,009

First Quarter Summary

- Corridor's cash flow from operations for Q1 2015 decreased to $7,612 thousand from $8,073 thousand in Q1 2014 due primarily to the lower natural gas sales partially offset by lower royalty expenses. At March 31, 2015, Corridor had cash and cash equivalents of $23,563 thousand, working capital of $27,911 thousand and no outstanding debt.

- Net income for Q1 2015 decreased to $3,692 thousand from $4,009 thousand for Q1 2014 due primarily to lower natural gas sales partially offset by lower royalty expenses.

- Subsequent to the quarter end, Corridor announced its decision to shut-in certain of its producing natural gas wells in the McCully Field in New Brunswick for the period from May 1, 2015 to October 31, 2015. The estimated average production from these wells is approximately 5 mmscfpd for this period. Corridor will continue to produce the wells it jointly owns with Potash Corporation of Saskatchewan Inc. in order to meet PotashCorp's short-term natural gas demands for its Picadilly and Penobsquis mines. Corridor plans to optimize the recovery of the flush volumes expected when the wells are brought back on production to match the expected peak winter pricing period at Algonquin city-gates. The Company does not anticipate any significant changes to its forecasted 2015 cash flow from operations of $8.7 million, as lower natural gas volumes are expected to be mostly offset by lower expenses and higher realized pricing.

- Subsequent to the quarter end, Anticosti Hydrocarbons announced that the drilling of the remaining approved stratigraphic corehole wells had resumed on Anticosti Island. The results of all the cores will help assess the rock quality and determine the optimal location for three test horizontal wells planned for the summer of 2016.

Results of Operations

Sales

	Three months ended March 31	
thousands of dollars	**2015**	2014
Natural gas	**$ 9,889**	$ 11,438
Condensate	**25**	81
Natural gas and gas liquids sales	**9,914**	11,519
Gathering, processing & transportation fees	**184**	194
Sales	**$ 10,098**	$ 11,713

Production volumes and pricing

	Three months ended March 31	
	2015	2014
Total volumes		
Natural gas production (mmscf)	**624**	681
Condensate production (bbl)	**371**	722
Daily production averages		
Natural gas production per day (mmscfpd)	**6.9**	7.6
Condensate production per day (bblpd)	**4.1**	8.0
Average prices		
Natural gas selling price ($/mscf)	**$ 15.84**	$ 16.80
Condensate selling price ($/bbl)	**$ 67.43**	$ 112.05

Natural gas sales for Q1 2015 decreased to $9,889 thousand from $11,438 thousand for Q1 2014 due to the decrease in the average daily natural gas production to 6.9 mmscfpd in Q1 2015 from 7.6 mmscfpd in Q1 2014 and the decrease in the average natural gas sales price to $15.84/mscf in Q1 2015 from $16.80/mscf in Q1 2014.

Sales for Q1 2015 were higher than budget by approximately $300 thousand due primarily to a higher average natural gas sales price resulting from a stronger US dollar during the quarter. The average daily natural gas production for Q1 2015 of 6.9 mmscfpd was consistent with the 2015 budget.

Outlook

Corridor has decreased its estimated total sales for 2015 from $19.5 million to $18.0 million due to the planned shut-in an average of approximately 5 mmscfpd of natural gas production for the period from May 1, 2015 to October 31, 2015. The shut-in will result in a decrease in the estimated average net daily gas production from 6.7 mmscfpd to 4.1 mmscfpd in 2015. However, Corridor expects flush production from the wells when they are brought back on production starting in November 2015. Corridor plans to optimize the recovery of these flush volumes to match the expected peak pricing period at Algonquin city-gates. As a result, the decrease in natural gas sales from the lower production will be partially offset by a higher realized pricing. Accordingly, Corridor's estimated average natural gas sales price is expected to increase from $7.70/mscf to $11.05/mscf in 2015. The 2015 estimated average natural gas price includes the forward sale of 2,500 mmbtupd at an average price of $US9.25/mmbtu from November 1, 2015 to December 31, 2015.

Gathering, processing and transportation fees

thousands of dollars	**Three months ended March 31** **2015**	2014
Gathering, processing and transportation fees	**$ 184**	$ 194

Corridor owns the midstream facilities which process and transport gas from the McCully Field to the Maritimes and Northeast Pipeline ("M&NP"). Third party gas flowing through these facilities is charged a cost of service. The gathering, processing and transportation ("GPT") fees of $184 thousand for Q1 2015 are consistent with Q1 2014 and the 2015 budget.

Outlook

Corridor has increased its 2015 budget for GPT fees from $650 thousand to $1,100 thousand.

Royalty Expense

thousands of dollars	**Three months ended March 31** **2015**	2014
Crown royalties	**$ 263**	$ 1,152
Royalty expense per mscf ($/mscf)	**$ 0.42**	$ 1.69
Percentage of natural gas and gas liquids sales	**2.7%**	10.0%

Corridor's royalty expense for Q1 2015 decreased to $263 thousand from $1,152 thousand for Q1 2014 due to lower natural gas sales in Q1 2015 and the implementation of a new royalty regime in 2014. Effective April 1, 2014, the Government of New Brunswick implemented a new two-tier royalty regime for natural gas production. The new regime changes the basic royalty rate payable from the previous 10% to a royalty rate equal to the greater of a 4% basic royalty calculated on the wellhead revenues and a 2% minimum royalty calculated on gross revenues. After the Company has recovered all costs and begins to make a profit, the royalty rate will increase to 25%.

Outlook

The Company maintains its effective royalty rate for 2015 of 2.5%.

The Company is currently undergoing an audit by the New Brunswick Department of Finance relating to the calculation of the royalty payments for the periods between November 1, 2009 and December 31, 2014. The Company has not made any provision for any liability which may arise out of this audit as the royalty amounts paid during this period were based on management's best estimate.

Transportation Expense

thousands of dollars	**Three months ended March 31** **2015**	2014
Transportation expense	**$ 965**	$ 973
Transportation expense per mscf ($/mscf)	**$ 1.55**	$ 1.43

Transportation expense for Q1 2015 of $965 thousand was consistent with transportation expense for Q1 2014. The lower transportation costs resulting from lower natural gas production were largely offset by the stronger US dollar in Q1 2015. Transportation expense for Q1 2015 was higher than the budget of $1.44/mscf due to the stronger US dollar.

The Company has a commitment to purchase 6,500 mmbtu per day of transportation on the Canadian side of the M&NP from November 1, 2014 to October 31, 2015.

Outlook

Corridor has increased its transportation expense estimate for 2015 from $1.44/mscf to $1.80/mscf to reflect the ongoing cost of firm transportation commitments during the shut-in period.

Production Expense

	Three months ended March 31	
thousands of dollars	**2015**	2014
Gross production expense	**$ 869**	$ 933
Third party recoveries	**(103)**	(105)
Net production expense	**$ 766**	$ 828
Net production expense per mscf ($/mscf)	**$ 1.23**	$ 1.22

Gross production expense for Q1 2015 decreased to $869 thousand from $933 thousand in Q1 2014 due primarily to the payment of a bonus to employees in Q1 2014. Net production expense per mscf of $1.23/mscf in Q1 2015 was consistent with Corridor's budget of $1.25/mscf.

Outlook

Corridor has increased its net production expense estimate for 2015 from $1.25/mscf to $1.65/mscf to reflect the decrease in the estimated average net daily gas production from 6.7 mmscfpd to 4.1 mmscfpd in 2015, partially offset by lower expected production expenses during the shut-in period. Net production expense is expected to decrease by $600 thousand in 2015 from the previous estimate of $3,060 thousand to a revised estimate of $2,460 thousand.

Depletion, Depreciation and Amortization

	Three months ended March 31	
thousands of dollars	**2015**	2014
Depletion, depreciation and amortization	**$ 2,194**	$ 2,237
Depletion, depreciation and amortization per mscf ($/mscf)	**$ 3.94**	$ 3.67

Depletion expense is calculated using the unit-of-production method which is based on production volumes (excluding penalty wells) in relation to the proved reserve base. The decrease in depletion, depreciation and amortization ("DD&A") expense for Q1 2015 to $2,194 thousand from $2,237 thousand in Q1 2014 is primarily due to the decrease in natural gas production in 2015 and the decrease in the net book value of the depletion asset base following the impairment loss of $33,700 thousand in Q4 2014.

Outlook

Corridor maintains its DD&A rate estimate for 2015 of $3.90/mscf.

General and Administrative Expenses

	Three months ended March 31	
thousands of dollars	**2015**	2014
Gross expenses	**$ 949**	$ 975
Capitalized overhead	**(58)**	(93)
Operator recoveries	**(3)**	(2)
Net expenses	**$ 888**	$ 880

Gross general and administrative expenses ("G&A") decreased to $949 thousand in Q1 2015 from $975 thousand during Q1 2014 due partially to the payment of a bonus to employees in Q1 2014.

Outlook

Corridor has increased its 2015 budget for gross G&A to $4,200 thousand from $3,900 thousand to reflect termination payments as part of management's efforts to reduce costs. The 2015 budget for G&A costs had already been increased from the 2014 level to reflect increased spending on a social acceptability program in response to the hydraulic fracturing moratorium in New Brunswick. Management estimates future annual G&A costs of approximately $3,350 thousand.

Share-based Compensation

thousands of dollars	**Three months ended March 31** **2015**	2014
Share-based compensation expense	**$ 124**	$ 142

The share-based compensation expense of $124 thousand for Q1 2015 is consistent with Q1 2014 and the 2015 budget.

Outlook
Corridor maintains its 2015 budget of share-based compensation expense of $400 thousand.

Deferred Income Taxes

thousands of dollars	**Three months ended March 31** **2015**	2014
Deferred income tax expense	**$ 1,503**	$ 1,635
Effective tax rate	**28.9%**	29.0%
Canadian statutory income tax rate	**28.0%**	28.0%

The effective tax rate for Q1 2015 is consistent with Q1 2014.

Outlook
Based on planned capital expenditure programs and current natural gas price assumptions, the Company does not expect to be cash taxable for the foreseeable future.

Capital Expenditures

thousands of dollars	**Three months ended March 31** **2015**	2014
Exploration activities	**$ 117**	$ 437
Development activities	**128**	240
Production facilities	**230**	16
Capitalized overhead	**58**	93
Office and other assets	**12**	19
	$ 545	$ 805

The capital expenditures of $545 thousand in Q1 2015 relate mostly to tie-in costs for the new wells and other final costs for the 2014 well re-entry and fracturing program at the McCully Field and Elgin Field in southern New Brunswick. The capital expenditures decreased to $545 thousand from $805 thousand in Q1 2014 as the well re-entry and fracturing program was in the planning phase in Q1 2014. The Company has not forecasted any significant capital spending in New Brunswick in 2015 due to the ongoing moratorium on hydraulic fracturing imposed by the New Brunswick government.

Capital Expenditures Outlook
Corridor maintains its 2015 capital budget of $2,400 thousand. Corridor will be evaluating opportunities to establish a new core area in 2015 and will not limit its search for new opportunities to Eastern Canada. Should Corridor successfully identify and transact on a new opportunity, the capital budget would be increased accordingly.

Statement of Financial Position Changes

Significant changes between Corridor's March 31, 2015 statement of financial position and its December 31, 2014 statement of financial position include:

- $4,356 thousand increase in cash and cash equivalents, primarily reflecting the natural gas sales in Q1 2015.
- $264 thousand decrease in receivables, primarily reflecting lower natural gas prices and production in March 2015 compared to December 2014.

- $2,745 thousand decrease in accounts payable and accrued liabilities, primarily reflecting the decrease in capital spending in Q1 2015 compared to Q4 2014 relating to the 2014 well re-entry and fracturing program.

Cash Flow Summary

	Three months ended March 31	
thousands of dollars	**2015**	2014
Cash provided by operating activities	**$ 7,030**	$ 7,663
Cash provided by financing activities	**-**	7
Cash used in investing activities	**(2,674)**	(1,835)
Increase in cash and cash equivalents	**$ 4,356**	$ 5,835

The decrease in cash provided by operating activities for Q1 2015 to $7,030 thousand from $7,663 thousand for Q1 2014 is primarily the result of the decrease in natural gas sales resulting from the decrease in natural gas prices and production in Q1 2015.

The increase in cash used in investing activities for Q1 2015 to $2,674 thousand from $1,835 thousand for Q1 2014 is due to the payment of amounts owing in Q1 2015 relating to capital expenditures for the 2014 well re-entry and fracturing program.

Outlook

Corridor maintains its cash flow from operations forecast of $8.7 million in 2015 as the decrease in the estimated average net daily gas production in 2015 from 6.7 mmscfpd to 4.1 mmscfpd is expected to be mostly offset by lower production expenses and a higher realized pricing once the wells are brought back on production starting in November 2015. The 2015 estimated average natural gas sales price is expected to increase from $7.70/mscf to $11.05/mscf.

Based on available working capital of $20.9 million at December 31, 2014 and Corridor's 2015 capital budget of $2.4 million Corridor is forecasting a net positive working capital of approximately $27.2 million at December 31, 2015, with no outstanding debt.

Outstanding Share Information

As of April 30, 2015, the outstanding share information was as follows:

Common shares outstanding	**88,621,966**
Stock options to purchase common shares	**3,484,166**
Total common shares outstanding after exercise of all stock options	**92,106,132**

thousands of dollars	
Total proceeds due on exercise of all stock options	**$ 4,445**

The weighted average exercise price for the stock options outstanding at April 30, 2015 was $1.28.

Related Party Transactions

A director of Corridor was, until December 31, 2014, a partner in a law firm that provides legal services to the Company. For the three months ended March 31, 2015, legal expenses of $30 thousand are included in general and administrative expenses (three months ended March 31, 2014 – nil). The amounts paid are recorded at the amount agreed to between parties and approximate fair value.

Summary of Quarterly Information

	2015	2014				2013		
thousands of dollars, except per share amounts and average natural gas price	Three months ended	Three months ended				Three months ended		
	Mar. 31	Dec. 31	Sep. 30	Jun. 30	**Mar. 31**	Dec. 31	Sep. 30	Jun. 30
Natural gas sales	**$ 9,889**	$ 5,241	$ 2,066	$ 3,390	**$ 11,438**	$ 5,841	$ 3,041	$ 3,708
Net income (loss)	**$ 3,692**	$ (27,767)	$ (199)	$ 6,251	**$ 4,009**	$ 20,586	$ (1,036)	$ 370
Net income (loss) per share - basic	**$ 0.042**	$ (0.313)	$ (0.002)	$ 0.071	**$ 0.045**	$ 0.233	$ (0.012)	$ 0.004
Net income (loss) per share - diluted	**$ 0.042**	$ (0.311)	$ (0.002)	$ 0.070	**$ 0.045**	$ 0.233	$ (0.012)	$ 0.004
Natural gas production (mmscfpd)	**6.9**	6.9	6.6	7.2	**7.6**	7.7	7.8	8.3
Average natural gas price ($/mscf)	**$ 15.84**	$ 8.30	$ 3.38	$ 5.19	**$ 16.80**	$ 8.21	$ 4.23	$ 4.92
Capital expenditures	**$ 545**	$ 2,736	$ 18,090	$ 1,818	**$ 805**	$ 1,856	$ 180	$ 629

Since 2013, natural gas prices have been generally consistent in the New England market when compared to the same quarter in the previous year. Natural gas prices are typically highest in the first quarter of each year reaching a high quarterly average of $16.80/mscf in Q1 2014 and $15.84/mscf in Q1 2015 and lowest in the second quarter and third quarter of each year. This reinforces management's decision to shut-in an average of approximately 5 mmscfpd of production from May 1, 2015 to October 31, 2015. In Q4 2013, an increase in the average natural gas price resulted in a reversal of impairment losses of $28,050 thousand and an increase in the Company's net income to $20,586 thousand. In response to higher natural gas prices, Corridor undertook a well re-entry and fracturing program at the McCully Field in Q3 2014 to increase natural gas production. However, late in 2014, the forecast for future natural gas prices decreased and the New Brunswick Government announced a moratorium on hydraulic fracturing contributing in part to the decrease in the Company's proved plus probable natural gas reserves which resulted in the recognition of an impairment loss of $39,150 thousand and a net loss of $27,767 thousand in Q4 2014.

Liquidity and Capital Resources

Corridor's liquidity depends upon cash flow from operations, supplemented as necessary by equity and debt financings.

At March 30, 2015, Corridor's board of directors determined not to renew its $6 million revolving credit facility. Prior to this date, Corridor had access to a $6 million revolving credit facility with a Canadian chartered bank. The credit facility and the related security was discharged and released effective April 21, 2015.

The 2015 budget assumes that no additional funds will be utilized from other sources such as equity financings, corporate debt or asset sales.

The Company has sufficient financial resources to undertake its planned activities in 2015. However, Corridor does not presently have sufficient financial resources to undertake by itself the exploration and development of its properties or any additional properties to be acquired. Future exploration and development of the Company's properties will depend, therefore, on the Company's cash flow from operations and its ability to obtain additional financing through joint ventures, debt financings, equity financings or other means. Failure to obtain any financing necessary for Corridor's capital expenditure plans may result in a delay in development or production on Corridor's properties.

Given the Company's available liquid resources and the Company's 2015 budget, management expects to have sufficient available funds to meet the current and foreseeable contractual obligations and commitments disclosed in the Company's 2014 Annual MD&A.

Corridor's short-term investments consist of bank deposits with 90 days or less to maturity.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The President and the Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the President and the Chief Financial Officer by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The President and the Chief Financial Officer are responsible for establishing and maintaining internal controls over financial reporting to a standard which provides reasonable assurance on the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the three months ended March 31, 2015, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingencies and commitments. Actual results could differ materially from those estimates. During the three months ended March 31, 2015, there were no changes in the critical accounting estimates disclosed in Corridor's 2014 Annual MD&A.

Changes in Accounting Policies

Corridor's unaudited condensed financial statements for the three months ended March 31, 2015 have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board, and in accordance with IAS 34 – *Interim Financial Reporting*. These unaudited condensed financial statements have been prepared following the same accounting policies disclosed in note 3 of Corridor's audited financial statements for the year ended December 31, 2014.

Business Conditions and Risks

An overview of the industry conditions in which the Company operates is set forth in the Annual Information Form under the heading "Industry Conditions".

The following is a summary of certain risk factors and should not be construed as exhaustive. There are numerous factors both known and unknown, that could cause actual results or events to differ materially from forecast results. Additional risk factors are included in the Annual Information Form under the heading "Risk Factors" and include, hydraulic fracturing, third party risk, dependence on key personnel, co-existence with mining operations, availability of drilling equipment and access, risks may not be insurable, variations in exchange rates, expiration of licenses and leases, development and/or acquisition of oil and natural gas properties, trading of common shares, seasonality, competition, management of growth, conflicts of interest, issuance of debt, title to properties, and hedging. See also "*Forward-Looking Statements*" in this MD&A.

Risks Associated with Oil and Gas Exploration

There can be no assurance that commercial quantities of hydrocarbons will be recovered by Corridor in the future. Natural gas and oil exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof. In addition, hazards such as unusual or unexpected formations, pressures or other conditions are involved in drilling and operating wells.

The Company currently has a number of specific identified exploration and development prospects. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation.

Substantial Capital Requirements and Financing

Substantial capital expenditures are required to finance the exploration, development and production of the Company's natural gas and oil properties. The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of its properties. The Company's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. If the Company's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. For more information please refer to "*Liquidity and Capital Resources*".

Volatility of Natural Gas and Oil Prices

The Company's revenues, profitability and future growth and the carrying value of its properties are substantially dependent on prevailing prices of gas and oil. Fluctuations in natural gas or oil prices could have an adverse effect on the Company's operations and financial condition and the value and amount of its reserves. Prices for natural gas fluctuate in response to changes in the supply of and demand for natural gas and oil, market uncertainty and a variety of additional factors beyond the Company's control. Natural gas prices are affected primarily by supply and demand, weather conditions and by prices of alternate sources of energy (including refined product, coal, and renewable energy initiatives). A substantial or extended decline in the price of natural gas or a continued low price environment for natural gas could result in a delay or cancellation of existing or future drilling, development programs or curtailment in production or could result in unutilized transportation commitments, all of which could have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations. In addition, a decline in the price of natural gas may result in Corridor having to impair, as a non-cash charge to earnings, the carrying value of its oil and gas properties.

Government Regulation

The oil and natural gas industry (exploration, production, pricing, marketing and transportation) is subject to extensive controls and regulations imposed by various levels of government. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Company's costs, any of which may have a material adverse effect on the Company's intended business, financial condition and results of operations. The Company's operations require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development on its properties. It is not expected that any of these controls or regulations will affect the operations of the Company in a manner materially different than they would affect other oil and gas companies of similar size. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted. However, such legislation may have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company.

As a condition of the development of any oil and gas resources in Québec, the Québec Government has mandated a comprehensive strategic environmental assessment process (the "Québec SEA") in respect of the entire oil and gas sector in Québec, which shall include a specific individual assessment of Anticosti Island (the "Anticosti SEA"). The Québec SEA in respect of Anticosti Island is being carried out in tandem with the exploration work of the Anticosti Joint Venture. The Québec SEA will help assess the likely consequences of oil and gas development and estimate the economic effects of development of the oil and gas sector in Québec. Through the Québec SEA, the Québec Government intends to undertake a comprehensive review and modernization of legislation and the regulatory framework governing oil and gas exploration and development. The Anticosti SEA will study the social and economic impacts of oil and gas development on the island and identify best practices and technologies for development, as well as identify methods to foster local economic spinoffs.

Hydraulic Fracturing

While the New Brunswick Government has reconfirmed its support of natural resources development, on March 27, 2015, it enacted *An Act to Amend the Oil and Natural Gas Act*, which creates a moratorium on all forms of hydraulic fracturing in New Brunswick, regardless of whether the process uses water, propane or another substance to extract natural gas from shale rock beneath the earth's surface. The New Brunswick Government advised that the moratorium will not be lifted until the following conditions are satisfied: (i) a social license for hydraulic fracturing is established; (ii) there is clear and credible information about the impacts of hydraulic fracturing on health, environment and water, so that a regulatory regime may be developed; (iii) a plan is established that mitigates the impacts on New Brunswick's public infrastructure and that addresses issues such as waste water disposal; (iv) a process is in place to respect New Brunswick's obligations under the duty to consult with First Nations; and (v) a proper royalty structure is developed to ensure that the benefits of fracturing are maximized for residents of New Brunswick. On March 24, 2015, the New Brunswick Government also announced the appointment of a panel with a mandate to review and report on, within 12 months, whether the five conditions necessary to lift the New Brunswick moratorium can be met. While it is not possible to predict the final outcome of the ongoing or proposed studies and legislation or regulation, any such restrictions will increase the costs as well as delay or halt Corridor's ability to develop its oil and gas properties in New Brunswick (McCully Field, Caledonia Field and the Elgin Sub-Basin).

Environmental

All phases of the natural gas and liquids businesses are subject to environmental regulation pursuant to a variety of federal, provincial and municipal laws and regulations (collectively, "environmental legislation"). Environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with: the use, generation, handling, storage, transportation, treatment and disposal of chemicals, hazardous substances and waste associated with the finding, production, transmission and storage of the Company's products including the hydraulic fracturing of wells; and spills, releases and emissions of various substances to the environment. It also imposes restrictions, liabilities and obligations in connection with the management of fresh or potable water sources that are being used, or whose use is contemplated, in connection with natural gas and oil operations. Environmental legislation also requires that wells, facility sites and other properties associated with the Company's operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations, including exploration and development projects and changes to certain existing projects, may require the submission and approval of environmental impact assessments or permit applications. Compliance with environmental legislation can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties and failure to comply with environmental legislation may result in the imposition of fines and penalties.

A number of federal and provincial governments have announced intentions to regulate greenhouse gases and certain air pollutants. The direct and indirect costs of the various greenhouse gas regulations, existing and proposed, may adversely affect the Company's business, operations and financial results. Equipment that meets future emission standards may not be available on an economic basis and other compliance methods to reduce the Company's emissions or emissions intensity to future required levels may significantly increase operating costs or reduce the output of the projects. Offset, performance or fund credits may not be available for acquisition or may not be available on an economic basis. Any failure to meet emission reduction compliance obligations may materially adversely affect Corridor's business and result in fines, penalties and the suspension of operations. There is also a risk that one or more levels of government could impose additional emissions or emissions intensity reduction requirements or taxes on emissions created by Corridor or by consumers of Corridor's products. The imposition of such measures might negatively affect Corridor's costs and prices for Corridor's products and have an adverse effect on earnings and results of operations.

Future federal legislation, including the implementation of potential international requirements enacted under Canadian law, as well as provincial emissions reduction requirements, may require the reduction of GHG or other industrial air emissions, or emissions intensity, from Corridor's operations and facilities. Mandatory emissions reduction requirements may result in increased operating costs and capital expenditures for oil and natural gas producers. Corridor is unable to predict the impact of emissions reduction legislation on the Company and it is possible that such legislation may have a material adverse effect on its business, financial condition, results of operations and cash flows.

For regulations regarding hydraulic fracturing, see "*Hydraulic Fracturing*" above.

Unaudited Statements of Income and Comprehensive Income

(thousands of dollars, except per share data)

For the	Three months ended March 31 **2015**	2014
Sales	**$ 10,098**	$ 11,713
Royalty expense	**(263)**	(1,152)
Revenues, net	**9,835**	10,561
Expenses		
Depletion, depreciation and amortization	**2,194**	2,237
Transportation expense	**965**	973
Production expense	**766**	828
General and administrative expenses	**888**	880
Share-based compensation expense (*note 11*)	**124**	142
	4,937	5,060
Income before the following items	**4,898**	5,501
Foreign exchange gains	**325**	151
Interest and other income	**78**	50
Interest and finance costs	**(63)**	(58)
Equity loss	**(43)**	-
Income before income taxes	**5,195**	5,644
Deferred income tax expense (*note 3*)	**1,503**	1,635
Net income and comprehensive income	**$ 3,692**	$ 4,009
Net income per share – basic and diluted	**$ 0.042**	$ 0.045
Weighted average number of common shares		
Basic	**88,622**	88,473
Diluted *(note 4)*	**88,852**	88,464

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

Unaudited Statements of Financial Position

(thousands of dollars)

As at	**March 31 2015**	December 31 2014
Assets		
Current assets		
Cash and cash equivalents	**$ 23,563**	$ 19,207
Restricted cash	**650**	650
Receivables *(note 13 a iv)*	**3,087**	3,351
Inventory held for sale	**1,278**	1,278
Prepaids and security deposits	**309**	141
	28,887	24,627
Non-current assets		
Property, plant and equipment *(notes 5 & 8)*	**95,282**	96,625
Exploration and evaluation assets *(note 6)*	**8,380**	8,141
Investment in Anticosti partnership *(note 7)*	**12,530**	12,511
Deferred income tax assets	**20,607**	22,110
Investment tax credits	**1,673**	1,673
Intangible assets	**187**	200
Restricted cash	**380**	380
Total assets	**$ 167,926**	$ 166,267
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 976**	$ 3,721
Non-current liabilities		
Decommissioning liability *(note 9)*	**8,864**	8,276
Total liabilities	**9,840**	11,997
Shareholders' Equity		
Capital stock *(note 10)*	**247,685**	247,685
Contributed surplus *(note 11)*	**10,167**	10,043
Deficit	**(99,766)**	(103,458)
Total shareholders' equity	**158,086**	154,270
Total liabilities and shareholders' equity	**$ 167,926**	$ 166,267

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

Contingencies *(note 16)*

On behalf of the Board

Signed *"Stephen J. Moran"* Director

Signed *"Robert D. Penner"* Director

Unaudited Statements of Changes in Shareholders' Equity

(thousands of dollars)

For the	Three months ended March 31 **2015**	2014
Capital stock, beginning of period	**$ 247,685**	$ 247,496
Exercise of stock options for cash	**-**	7
Amount previously expensed for stock options exercised	**-**	4
Capital stock, end of period	**$ 247,685**	$ 247,507
Contributed surplus, beginning of period	**$ 10,043**	$ 9,655
Share-based compensation expense	**124**	142
Amount previously expensed for stock options exercised	**-**	(4)
Contributed surplus, end of period	**$ 10,167**	$ 9,793
Deficit, beginning of period	**$ (103,458)**	$ (85,752)
Net income and comprehensive income	**3,692**	4,009
Deficit, end of period	**$ (99,766)**	$ (81,743)
Shareholders' equity, end of period	**$ 158,086**	$ 175,557

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

Unaudited Statements of Cash Flows

(thousands of dollars)

For the	Three months ended March 31 2015	2014
Operating Activities		
Net income	**$ 3,692**	$ 4,009
Adjustments not affecting cash:		
Depletion, depreciation and amortization	**2,194**	2,237
Share-based compensation expense	**124**	142
Deferred income tax expense	**1,503**	1,635
Equity loss	**43**	-
Other operating activities	**56**	50
	7,612	8,073
Increase in non-cash operating working capital *(note 12)*	**(582)**	(410)
Cash provided by operating activities	**7,030**	7,663
Financing Activities		
Proceeds from the exercise of stock options	**-**	7
Cash provided by financing activities	**-**	7
Investing Activities		
Property, plant and equipment expenditures	**(370)**	(275)
Exploration and evaluation expenditures	**(175)**	(530)
Contribution in Anticosti partnership	**(62)**	-
Increase in non-cash investing working capital *(note 12)*	**(2,067)**	(1,030)
Cash used in investing activities	**(2,674)**	(1,835)
Increase in cash and cash equivalents	**4,356**	5,835
Cash and cash equivalents, beginning of period	**19,207**	15,514
Cash and cash equivalents, end of period	**$ 23,563**	$ 21,349
Cash and cash equivalents consists of:		
Cash	**$ 7,375**	$ 6,727
Short-term investments	**16,188**	14,622
Cash and cash equivalents, end of period	**$ 23,563**	$ 21,349

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

Notes to the Unaudited Condensed Financial Statements
March 31, 2015

1. Nature of operations

Corridor Resources Inc. ("Corridor" or the "Company") is an Eastern Canadian junior resource company engaged in the exploration for and development and production of petroleum and natural gas onshore in New Brunswick and Québec and offshore in the Gulf of St. Lawrence. Corridor is a public company incorporated under the Alberta Business Corporations Act with common shares listed on the Toronto Stock Exchange under the symbol "CDH". Corridor's head office is located at 5475 Spring Garden Road, Halifax, Nova Scotia, B3J 3T2.

2. Basis of presentation

These unaudited condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in accordance with IAS 34 - *Interim Financial Reporting.* The unaudited condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014. These unaudited condensed financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended December 31, 2014.

On May 13, 2015, the unaudited condensed financial statements were approved by the Board of Directors and signed by the chair of the Audit Committee and the President and Chief Executive Officer of the Company.

3. Income taxes

Deferred income tax expense differs from the amount which would be obtained by applying the Canadian statutory income tax rates to the income before income taxes as follows:

(thousands of dollars)

	Three months ended March 31	
	2015	2014
Income before income taxes	**$ 5,195**	$ 5,644
Blended Canadian statutory tax rate	**28%**	28%
Expected income tax expense	**$ 1,455**	$ 1,580
Increase (decrease) resulting from:		
Non-deductible share-based compensation expense	**35**	40
Originating temporary differences recorded at the future income tax rates expected to be in effect when realized	**13**	15
	$ 1,503	$ 1,635

4. Income per share

For the three months ended March 31, 2015, stock options of 1,717 thousand (three months ended March 31, 2014 – 1,415 thousand) were excluded from the dilution calculation since the average market price for the period was lower than the exercise price.

Notes to the Unaudited Condensed Financial Statements
March 31, 2015

5. Property, plant and equipment

(thousands of dollars)

	Oil and gas properties	Production facilities	Inventory	Office and other assets	Total
Cost					
Balance at December 31, 2013	$ 216,351	$ 76,627	$ 3,972	$ 2,705	$ 299,655
Additions	17,946	378	739	131	19,194
Transfers	698	-	(587)	-	111
Changes in future abandonment costs	885	-	-	-	885
Sale of inventory	-	-	(17)	-	(17)
Transfer to current assets	-	-	(1,278)	-	(1,278)
Balance at December 31, 2014	$ 235,880	$ 77,005	$ 2,829	$ 2,836	$ 318,550
Additions	128	230	-	12	370
Changes in future abandonment costs	468	-	-	-	468
Balance at March 31, 2015	**$ 236,476**	**$ 77,235**	**$ 2,829**	**$ 2,848**	**$ 319,388**
Accumulated impairment, depletion and depreciation					
Balance at December 31, 2013	$ 133,500	$ 41,701	$ 2,364	$ 1,634	$ 179,199
Depletion or depreciation expense	7,457	1,415	-	110	8,982
Impairment losses	24,640	9,060	-	-	33,700
Write-down of inventory	-	-	44	-	44
Balance at December 31, 2014	$ 165,597	$ 52,176	$ 2,408	$ 1,744	$ 221,925
Depletion or depreciation expense	1,846	310	-	25	2,181
Balance at March 31, 2015	**$ 167,443**	**$ 52,486**	**$ 2,408**	**$ 1,769**	**$ 224,106**
Net book value					
At December 31, 2014	$ 70,283	$ 24,829	$ 421	$ 1,092	$ 96,625
At March 31, 2015	**$ 69,033**	**$ 24,749**	**$ 421**	**$ 1,079**	**$ 95,282**

The calculation of depletion includes estimated future development costs relating to the development of proved reserves of $78,954 thousand for the three months ended March 31, 2015 (three months ended March 31, 2014 - $108,126 thousand). At March 31, 2014, costs of property, plant and equipment amounting to $7,366 thousand were excluded from costs subject to depletion, depreciation and amortization.

6. Exploration and evaluation assets

(thousands of dollars)

	Three months ended March 31, 2015	Year ended December 31, 2014
Balance, beginning of period	**$ 8,141**	$ 24,925
Additions	**175**	4,255
Sale of exploration assets	**-**	(4,979)
Transfer to investment in Anticosti partnership	**-**	(10,600)
Impairment losses	**-**	(5,450)
Transfers to property, plant and equipment	**-**	(111)
Recovery of exploration and evaluation assets	**-**	12
Changes in future abandonment costs	**64**	89
Balance, end of period	**$ 8,380**	$ 8,141

6. Exploration and evaluation assets (continued)

On April 1, 2014, the Company entered into a joint venture with the Government of Québec, through its affiliate Ressources Québec ("RQ"), Pétrolia Inc. ("Pétrolia") and Saint-Aubin E&P Québec Inc. ("Saint-Aubin"). In connection with the establishment of the joint venture, Pétrolia and Corridor transferred their respective Anticosti exploration licenses to Anticosti Hydrocarbons L.P. ("Anticosti Hydrocarbons") and RQ and Saint-Aubin made a commitment to spend up to an aggregate $100 million on an exploration program starting in 2014. In exchange, Corridor received an interest of 21.67% in Anticosti Hydrocarbons and net cash proceeds of $13,479 thousand, which resulted in an initial gain on the sale of exploration assets of $8,500 thousand and a decrease in exploration and evaluation assets of $4,979 thousand. The remaining Anticosti exploration costs of $10,600 thousand were transferred to the investment in Anticosti partnership.

7. Investment in Anticosti partnership

(thousands of dollars)

	Three months ended March 31, 2015	Year ended December 31, 2014
Balance, beginning of period	**$ 12,511**	$ -
Transfer from exploration and evaluation assets	**-**	10,600
Gain on sale of exploration assets	**-**	1,930
Contributions	**62**	80
Equity loss	**(43)**	(99)
Balance, end of period	**$ 12,530**	$ 12,511

In 2014, a gain on sale of $1,930 thousand was recognized to reflect the benefit received by Corridor from the funding by RQ and Saint-Aubin of $14,126 thousand of their exploration program commitment to Anticosti Hydrocarbons.

8. Credit facility

On March 30, 2015, Corridor's board of directors determined not to renew its revolving credit facility with a Canadian chartered bank. Prior to this date, Corridor had access to a $6 million revolving short term credit facility secured by a $75 million demand debenture on the Company's property, plant and equipment. The credit facility and related security was discharged and released effective April 21, 2015.

9. Decommissioning liability

The change in the decommissioning liability is due to the following:

(thousands of dollars)

	Three months ended March 31, 2015	Year ended December 31, 2014
Balance, beginning of period	**$ 8,276**	$ 7,094
Change in discount rate	**532**	974
Change in estimate	**-**	-
Finance costs	**56**	208
Balance, end of period	**$ 8,864**	$ 8,276

The total undiscounted amount of estimated cash flows required to settle these obligations is $14,418 thousand (December 31, 2014 - $14,489 thousand). Management estimates the settlement of these obligations between 2020 and 2037. At March 31, 2015, a risk-free rate of 2.42% (December 31, 2014 – 2.75%) and an inflation rate of 2% (December 31, 2014 – 2%) was used to calculate the estimated fair value of the decommissioning liability.

10. Capital stock

a) Authorized – Unlimited common shares without nominal or par value.

b) Issued and outstanding

(thousands of dollars and thousands of shares)

	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of shares	**Amount**	Number of shares	Amount
Balance, beginning of period	**88,622**	**$ 247,685**	88,464	$ 247,496
Exercise of stock options	**-**	**-**	158	189
Balance, end of period	**88,622**	**$ 247,685**	88,622	$ 247,685

11. Share-based compensation

The Company has a stock option plan under which options to purchase common shares of the Company may be granted to directors, officers, employees and consultants of the Company. The stock option plan is limited to 8,262,513 common shares with no more than 5% being issued to any one officer, director or employee. On May 12, 2014, the Board of Directors determined that non-employee directors would no longer be eligible to receive stock option grants. The exercise price of each option is based on the market price for the common share on the close of the day prior to the date the option was granted. Options granted under the plan generally vest over a three year period and expire five years after the grant date. Participants of the stock option plan can elect to surrender any vested option in exchange for a cash payment based on the difference between the market value of the common share and the exercise price of the option. The Board of Directors has the sole discretion to consent or deny this election.

The following table summarizes the changes in the outstanding stock options:

	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of options (000's)	**Weighted average exercise price**	Number of options (000's)	Weighted average exercise price
Options outstanding, beginning of period	**3,649**	**$ 1.28**	3,576	$ 1.44
Granted	**-**	**-**	900	$ 1.24
Exercised (1)	**-**	**-**	(158)	$ 0.75
Expired	**-**	**-**	(498)	$ 2.56
Forfeited and cancelled	**(143)**	**1.55**	(171)	$ 1.08
Options outstanding, end of period	**3,506**	**$ 1.27**	3,649	$ 1.28
Options exercisable, end of period	**1,959**	**$ 1.46**	1,826	$ 1.58

(1) The Company's weighted average share price, at the date of exercise, for stock options exercised during the year ended December 31, 2014 was $1.73 per common share.

The range of exercise prices of stock options outstanding and exercisable as at March 31, 2015 is as follows:

	Outstanding options			Exercisable options	
Exercise prices	**Number of options outstanding (000's)**	**Weighted average remaining term (years)**	**Weighted average exercise price**	**Number of options exercisable (000's)**	**Weighted average exercise price**
$ 0.50 - $ 0.99	1,789	3.05	$ 0.75	1,142	$ 0.75
$ 1.00 - $ 1.99	900	4.63	$ 1.24	-	-
$ 2.00 - $ 2.49	817	1.58	$ 2.46	817	$ 2.46
	3,506	3.11	$ 1.27	1,959	$ 1.46

11. Share-based compensation (continued)

The fair value of options granted is estimated using the Black-Scholes option pricing model with the following assumptions:

	March 31, 2015	December 31, 2014
Weighted average fair value of options granted	-	$ 0.70
Risk-free interest rate	-	1.4%
Expected life (years)	-	4.4
Expected volatility	-	73%

For the three months ended March 31, 2015, the Company recorded stock-based compensation expense with an offsetting increase to contributed surplus of $124 thousand (three months ended March 31, 2014 - $142 thousand).

12. Supplemental cash flow information

(thousands of dollars)

	Three months ended March 31	
	2015	2014
Change in non-cash operating working capital:		
Receivables	**$ (356)**	$ (17)
Prepaids and security deposits	**(168)**	(325)
Accounts payable and accrued liabilities	**(58)**	(68)
	$ (582)	$ (410)
Change in non-cash investing working capital:		
Receivables	**$ 620**	$ 44
Accounts payable and accrued liabilities	**(2,687)**	(1,074)
	$ (2,067)	$ (1,030)
Interest paid (received):		
Interest received	**$ (18)**	$ (16)
Interest paid	**$ 7**	$ 7

13. Risk management

a) The Company is exposed to the following risks:

i) Commodity price risk
The Company is exposed to risks from fluctuations in the natural gas sales prices. During the period, the Company did not have any derivative financial instruments in place to manage this risk. With the Board of Directors' approval, Corridor will enter into forward sale commitments, in limited quantities and at fixed prices, when appropriate. The Company does not use derivative financial instruments for speculative purposes.

During the period, the Company had forward sale commitments at a fixed natural gas price for a portion of its production. For the remaining production, a 5% decrease in the price of natural gas would have resulted in a decrease in the Company's net income of approximately $105 thousand for the three months ended March 31, 2015 (three months ended March 31, 2014 – $200 thousand) due to lower natural gas sales. Conversely, a 5% increase in the price of natural gas would have resulted in an increase in the Company's net income of approximately $105 thousand for the three months ended March 31, 2015 (three months ended March 31, 2014 – $200 thousand) due to higher natural gas sales.

13. Risk management (continued)

ii) Foreign currency risk

The Company is exposed to fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar. Natural gas prices, condensate prices and transportation expenses are based upon reference prices denominated in U.S. dollars, while the Company's remaining expenses are denominated in Canadian dollars. The Company does not have any derivative financial instruments in place to manage this risk.

The Company had the following financial instruments denominated in U.S. dollars at the Statement of financial position dates.

(thousands of U.S. dollars)

	March 31, 2015	December 31, 2014
Cash	**$ 2,924**	$ 18
Receivables	**1,949**	1,767
Financial instruments in U.S. dollars	**$ 4,873**	$ 1,785

At March 31, 2015, a 5% decrease in the U.S. dollar relative to the Canadian dollar would have resulted in a decrease of approximately $220 thousand in the Company's net income (March 31, 2014 – $215 thousand) due to a decrease in the financial instruments denominated in U.S. dollars. Conversely, a 5% increase in the U.S. dollar relative to the Canadian dollar would have resulted in an increase of approximately $220 thousand in the Company's net income (March 31, 2014 – $215 thousand).

iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31, 2015, the Company was holding cash and cash equivalents of $23,563 thousand.

Given the Company's available liquid resources and the Company's 2015 budget, management expects to have sufficient available funds to meet the current and foreseeable financial liabilities as disclosed in the Company's December 31, 2014 audited financial statements.

iv) Credit risk

Corridor sells all of its production to one large credit-worthy purchaser under normal industry payment terms. Corridor's receivables from joint venture partners are also subject to normal credit risks in the natural gas industry. Management believes credit risk on these amounts is low and has not made any provision for an allowance for bad debts. The cash equivalents consist mainly of guaranteed investment certificates held with banks with high credit-ratings assigned by international credit-rating agencies. Management believes the risk of loss is low.

b) Management of capital

Management's objectives when managing capital are to provide an adequate return to its shareholders and to safeguard the Company's ability to obtain financing and have access to capital. In the management of capital, the Company includes shareholders' equity, its credit facility as well as cash and cash equivalents. To facilitate the management of its capital structure, the Company prepares annual expenditure and operating budgets that are updated as necessary depending on success factors, industry conditions and operating cash flow. These annual and updated budgets are approved by the Board of Directors. Corridor has the ability to adjust its capital structure by making modifications to its capital expenditure program. To maximize ongoing development and exploration activities, the Company does not anticipate paying out dividends during the year.

Notes to the Unaudited Condensed Financial Statements
March 31, 2015

14. Financial instruments

The Company has classified each financial instrument into the following categories:

i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets and consist of trade receivables. Their carrying values approximate fair values because of their short term to maturity.

ii) Financial liabilities at amortized cost
Financial liabilities at amortized cost include accounts payable and accrued liabilities. They approximate their fair values because of their short term to maturity or because the interest rates approximate market rates at the end of the period.

15. Related parties

A director of Corridor was, until December 31, 2014, a partner in a law firm that provides legal services to the Company. For the three months ended March 31, 2015, $30 thousand of legal expenses are included in general and administrative expenses (March 31, 2014 - nil). At March 31, 2015, $21 thousand was included in accounts payable and accrued liabilities (December 31, 2014 - $154 thousand). The amounts paid are recorded at the amount agreed to between the parties which management believes is representative of fair value.

16. Contingencies

The Company is currently undergoing an audit by the New Brunswick Department of Finance relating to the calculation of the royalty payments for the periods between November 1, 2009 and December 31, 2014. The Company has not made any provision for any liability which may arise out of this audit as the royalty amounts paid during this period were based on management's best estimate.

On August 23, 2014, the Company was served with a statement of claim by Geophysical Services Incorporated ("GSI") relating to the access and disclosure of confidential seismic information. GSI is seeking damages of $1.7 million. The Company has not recorded any liability as management believes a successful claim is not probable.