A.I.S. RESOURCES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

(Unaudited)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an independent auditor. These condensed consolidated interim financial statements for the three months ended March 31, 2016 and 2015 have been prepared by and are the responsibility of the Company's management. They have not been reviewed by the Company's independent auditor.

A.I.S. RESOURCES LIMITED

Statements of Financial Position

As at March 31, 2016 and December 31, 2015

(Expressed in Canadian dollars)

	Note		March 31 2016		December 31 2015
ASSETS					
Current assets					
Cash	3	$	5,036	$	-
Notes receivable	4		15,641		14,709
Prepaid expenses			-		-
Total current assets			20,677		14,709
Non-current assets					
Marketable securities	5		-		794
Other investment	6		517,750		552,437
		$	**538,427**	**$**	**567,940**
LIABILITIES					
Current liabilities					
Bank overdraft			-		617
Accounts payable and accrued liabilities			319,116		312,950
Due to related parties	7		62,166		32 628
Total current liabilities			381,282		346 195
SHAREHOLDERS' EQUITY					
Common shares	8		4,180,022		4,180,022
Subscriptions			5,000		-
Reserves			285,483		311,812
Deficit			(4,313,360)		(4,270,089)
			157,145		221,745
		$	**538,427**	**$**	**567,940**

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

Note 9: Supplemental information with respect to cash flows

Note 13: Subsequent Events

Martyn Element, Director

Kiki Smith, Director

A.I.S. RESOURCES LIMITED

Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2016 and 2015

Canadian dollars

	Three months ended	
	March 31, 2016	**March 31, 2015**
REVENUE:		
Other Income	$ -	$ 9,050
Investment income (loss)	932	(1,727)
	932	7,323
EXPENSES:		
Consulting	1,000	31,050
Consulting – stock based	6,208	-
General and administrative	360	8,425
Management fees	22,500	22,500
Management fees – stock based	2,150	-
Professional fees	11,032	12,170
Rent	-	10,461
Shareholder communication	3,806	1,629
Travel and promotion	1,191	6,884
Unrealized loss on marketable securities	794	1629
Unrealized foreign exchange (gain) loss	(4,839)	5,455
	44,202	100,359
Loss and comprehensive loss for the period	(43,270)	$ (93,036)
Loss per share - $ per share		
Basic and diluted	**$ (0.00)**	**$ (0.01)**
Weighted average number of shares outstanding	**12,659,763**	**6,506,763**

A.I.S. RESOURCES LIMITED

Statements of Changes in Equity

As at March 31, 2016

(Expressed in Canadian dollars)

	Common shares								
	No. of shares	Share capital	Subscriptions	Reserve Stock Options	Reserve Expired Options	Other Comprehensive Income	Reserves Warrants	Deficit	Total
Equity December 31, 2014	6,506,763	$3,625,057		$ 144,697	$ -	$ -	$ -	$(3,676,640)	$ 93,114
Subscription funds received	-	-	301,250	-	-	-	-	-	301,250
Loss for the period	-	-	-	-	-	-	-	(93,036)	(93,036)
Equity March 31, 2015	**6,506,763**	**$3,625,057**	**$ 301,250**	**$ 144,697**	**$ -**	**$ -**	**$ -**	**$(3,769,676)**	**$ 301,328**
Equity December 31, 2015	**12,659,763**	**$4,180,022**	**-**	**$ 189,463**	**$ 19,557**	**$ 52,679**	**$ 50,113**	**$(4,270,089)**	**$ 221,745**
Subscription funds received	-	-	5,000	-	-	-	-	-	5,000
Stock option expense	-	-	-	8,358	-	-	-	-	8,358
Loss for the period	-	-	-	-	-	(34,687)	-	(43,270)	(77,957)
Equity March 31, 2016	**12,659,763**	**$4,180,022**	**$ 5,000**	**$ 8,358**	**$ 19,557**	**$ 17,992**	**$ 50,113**	**$(4,313,359)**	**$ 157,145**

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

A.I.S. RESOURCES LIMITED

Statements of Cash Flows

For the three months ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

	Three months ended	
	March 31, 2016	**March 31, 2015**
CASH PROVIDED BY (USED IN) OPERATIONS		
Loss for the period	$ (43,270)	$ (93,036)
Adjustments for items not involving cash:		
Accrued management fees	22,500	4,665
Accrued interest	(274)	(246)
Accreted interest	(658)	(652)
Loss on sale of marketable securities	-	2,625
Unrealized loss on marketable securities	794	1,785
Unrealized foreign exchange loss (gain)		5,837
	(12,551)	(79,022)
Changes in non-cash working capital:		
Prepaid expenses	-	(5,825)
Accounts payable	6,166	(5,401)
	(6,385)	(90,248)
CASH FLOWS FROM INVESTING		
Sale (purchase) of marketable securities	-	44,131
Purchase of investment	-	(236,974)
		(192,843)
CASH FLOWS FROM FINANCING		
Bank overdraft	(617)	-
Subscriptions received	5,000	301,250
Deferred financing cost paid	-	(8,906)
Advances from (repayments to) related parties	7,038	(4,425)
	11,421	287,919
Net change in cash balances	**5,036**	**4,828**
Cash at beginning of period	-	37,645
Cash at end of period	**5,036**	**42,473**

Note 9: Supplemental information with respect to cashflows

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

1. General

A.I.S. Resources Limited (the "Company" or "A.I.S.") is incorporated under the laws of Bahamas Islands. The registered office of the Company is located at 308 East Bay Street, Nassau, Bahamas. The business of AIS is to hold various investments in marketable securities.

During the year ended December 31, 2015 the Company closed non-brokered private placements totaling 6,153,000 units at $0.10 per unit for aggregate gross proceeds of $615,300. Each Unit was issued at a price of $0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of $0.14 for a year of two years from the date of closing.

During year ended December 31, 2015 the Company subscribed for 1,330,665 shares of Buda Juice LLC a private company at $US $0.30 per share for a cost of $ 499,757 ($US 399,200).
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Going Concern

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon the continued financial support from related parties, the ability of the Company to raise equity financing to continue investment activities and upon future profitable operations or proceeds from disposition of investments. Given the operating losses accumulated in the last number of years, the Company's ability to realize its assets and discharge its liabilities depends on continued support from its directors, the ability to raise further funds to provide working capital and ultimately on generating future profitable operations. These uncertainties cast a significant doubt on the ability of the Company to continue operations as a going concern. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern. At March 31, 2016, the Company had a working capital deficiency of $360,605(December 31, 2015 – $331,487) and accumulated losses of $4,313,360 (December 31, 2015 - $4,269,624).

2. Basis of preparation and significant accounting policies:

(a) Statement of compliance

The condensed financial statements for the three month periods ended March 31, 2016 and 2015 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting using the accounting policies adopted by the Company in its financial statements For the three months ended March 31, 2016 and 2015.

The condensed financial statements should be read in conjunction with the Company's audited financial statements For the three months ended March 31, 2016 and 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB)

The financial statements were approved by the Board of Directors and authorized for issue on June 3, 2016.

(b) Accounting policies and standards adopted by the Company

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2015.

3. Cash deposits

The Company had cash deposits of $5,036 at March 31, 2016 and $nil at December 31, 2015.

4. Notes receivable:

During the year ended December 31, 2014 the Company purchased a convertible note receivable in the amount of $10,000 maturing on August 25, 2015. The note bears interest at 10% per annum. The fair value of the debt component of the Note was estimated at $7,478. The fair value of the convertible component of the Note of $2,522 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.01% and an expected volatility of 66.31%.

During the year ended December 31, 2015 the note was extended until August 25, 2016 and the Company recorded interest income of $1,035 and an additional $2,520 in accreted interest income in relation to the convertible note. During the three months ended March 31, 2016 the Company recorded interest income of $274 (2015 - $247) and an additional $658 in accreted interest income in relation to the convertible note. (2015 - $652).

(Expressed in Canadian dollars)

5. Marketable securities:

	Number of shares		Cost		Market Value
Fair value measurement using quoted prices in an active market - Level 1					
Marketable securities consist of:					
Margaret Lake Diamonds Inc. warrants expiring April 22, 2016	90,000		8,511		-
March 31, 2016		$	8,511	$	-

	Number of shares		Cost		Market Value
Fair value measurement using quoted prices in an active market - Level 1					
Marketable securities consist of:					
Margaret Lake Diamonds Inc. warrants expiring April 22, 2016	90,000		8,511		794
December 31, 2015		$	8,511	$	794

Subsequent to March 31, 2016 the warrants expired unexercised.

5. Marketable securities (continued):

Gain (Loss) from disposition of marketable securities was as follows:

Three months ended December 31, 2015	Shares Disposed		Carrying Value		Proceeds		Gain (Loss)
Arctic Star Exploration	100,000	$	3,500	$	2,900	$	(600)
Bengal Energy	22,666		5,893		5,567		(326)
Chlormet Tech	100,000		7,363		5,562		(1,801)
Highbank Resources Ltd.	59,500		9,346		8,734		(1,032)
Huntington Exploration	1,533,333		15,333		9,107		(6,226)
Immuno Vaccine Inc.	36,500		25,550		24,779		(771)
Margaret Lake Diamonds Inc.	180,000		27,575		18,600		(8,375)
Noka Resources Inc.	25,000		35,762		5,538		2,288
Palos Merchant Bank	2,975		15,956		14,452		(1,414)
Panorama Petroleum Inc.	90,000		1,350		1,245		(105)
	2,149,974	$	147,628	$	96,484	$	(18,362)

(Expressed in Canadian dollars)

6. Other Investment:

During the year ended December 31, 2015 the Company subscribed for 1,330,665 shares of Buda Juice LLC a private company at $US $0.30 per share for a cost of $ 499,757 ($US 399,200). The investment is classified as available for sale. The Company recognized an unrealized foreign exchange loss of $34687 in relation to the shares in the three months ended March 31, 2016 (2015 - $nil) which was recorded in other comprehensive income.

7. Related party transactions:

For the three months ended March 31, 2015 the Company recorded the following transactions with related parties:

a) $22,500 in management fees to the CEO of the Company (2015 - $22,500).

b) $nil in consulting fees to the CEO of the Company (2015 - $9,000).

c) $7,875 in accounting fees to a company controlled by the CFO of the Company (2015 - $9,450).

d) The Company recorded $nil in rent expense to a company controlled by the CEO of the Company (2015 – $10,461).

Key management compensation in the three months ended March 31, 2016 and 2015 was as follows:

	Three months ended March 31, 2016	Three months ended March 31, 2015
CEO for management fees	$ 22,500	$ 22,500
CEO for consulting fees	-	9,000
CFO for accounting fees	7,875	9,450
Balance, end of period	$ 30,375	$ 40,950

Amounts owing to related parties was as follows:

	March 31, 2016	December 31, 2015
CEO for accrued management fees and advances to the Company	$ 62,166	$ 32,628
Balance, end of period	$ 62,166	$ 32,628

Included in accounts payable is $47,089 owing to a company controlled by the CFO.

(Expressed in Canadian dollars)

8. Share capital:

(a) Authorized:

The authorized shares of the Company can be issued in any combination of common and preferred shares up to $5,000,000 with no par value.

(b) Issued:

12,659,763 common shares with a value of $4,180,022 were outstanding at March 31, 2016 (December 31, 2015 – 12,659,763 common shares with a value of $4,180,022).

On December 15, 2015 the Company closed the final tranche of the private placement announced on January 7, 2015 and issued 1,237,500 units for gross proceeds of $123,750. Each Unit was issued at a price of $0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of $0.14 for a year of two years from the date of closing. The fair value of the warrants was estimated at $50,113 using the residual method and is included in reserves.

On August 19, 2015 the Company closed the first tranche of the private placement announced on January 7, 2015 and issued 4,915,500 units for gross proceeds of $491,550. Each Unit was issued at a price of $0.10 and is comprised of one common share and one common share purchase warrant entitling the holder thereof to acquire one Common Share at a price of $0.14 for a year of two years from the date of closing. A total of $1,316 cash was paid to finders in addition to the issuance of 13,160 broker's warrants which are exercisable into common shares at 14 cents per share for a two-year period. The full amount of the proceeds was attributed to the shares, hence the value of the warrants was estimated at nil. The fair value of the finders' warrants was estimated using Black-Scholes at $691.

8. Share capital (continued):

(c) Warrants:

The following warrants were outstanding:

	March 31, 2016			December 31, 2015		
Expiry Date	Number of shares	Weighted average exercise price	Weighted average life in years	Number of shares	Weighted average exercise price	Weighted average life in years
August 19, 2017	4,928,660	$0.14	1.38	4,928,660	$0.14	1.63
December 15, 2017	1,237,500	$0.14	1.71	1,237,500	$0.14	1.96
	6,166,160	$0.14	1.45	6,166,160	$0.14	1.70

For the year ended December 31, 2015, a total of 1,250,000 warrants expired unexercised.

(Expressed in Canadian dollars)

8. Share capital (continued):

The changes in warrants were as follows:

	Three months ended March 31, 2016			Year ended December 31, 2015		
	Number of Shares	Weighted average exercise price	Weighted average life in years	Number of Shares	Weighted average exercise price	Weighted average life in years
Balance, beginning of period	6,166,160	$ 0.14	1.70	1,250,000	$ 0.50	0.30
Granted in period	-			6,166,160	0.14	1.70
Expired in period	-			1,250,000	0.50	-
Balance, end of period	6,166,160	$ 0.14	1.45	6,166,160	$ 0.14	1.70

(d) Stock options:

On April 23, 2014, the Board of Directors approved a stock option plan whereby up to 630,676 common shares may be issued.

On April 28, 2014 the Company awarded 450,000 incentive stock options exercisable at $0.28 per common share to directors, officers and consultants of the Company, expiring on April 27, 2019. The Options vest as to one third immediately and as to an additional one third on the first and second anniversaries of the date of grant.

On May 21, 2014 the Company awarded 200,000 incentive stock options exercisable at $0.60 per common share to a director and certain consultants of the Company, expiring on May 20, 2019. The Options vest as to one third immediately and as to an additional one third on the first and second anniversaries of the date of grant.

During the three months ended March 31, 2016 the Company recognized stock based consulting fees of $6,208 (2015- $6,208) and stock based management fees of $2,150 (2015- $2,150)

During the year ended December 31, 2015 33,334 options exercisable at $0.60 were cancelled.

The following share options were outstanding:

	March 31, 2016				December 31, 2015			
Expiry Date	Vested and exercisable	Number of shares	Weighted average exercise price	Weighted average life in years	Vested and exercisable	Number of shares	Weighted average exercise price	Weighted average life in years
April 28, 2019	300,000	450,000	$ 0.28	3.07	300,000	450,000	$ 0.28	3.32
May 21, 2019	111,111	166,666	$ 0.60	3.14	111,111	166,666	$ 0.60	3.39
	411,111	616,666	$ 0.37	3.09	411,111	616,666	$ 0.37	3.34

(Expressed in Canadian dollars)

8. Share capital (continued):

(d) Stock options (continued):

The changes in options were as follows:

	Three months ended March 31, 2016			Year December 31, 2015		
	Number of Shares	Weighted average exercise price	Weighted average life in years	Number of Shares	Weighted average exercise price	Weighted average life in years
Balance, beginning of period	616,666	$ 0.38	3.34	650,000	$ 0.38	4.30
Granted in period	-	-	-	-	-	-
Forfeited in period	-	-	-	33,334	$ 0.60	-
Balance, end of period	616,666	$ 0.38	3.09	616,666	$ 0.38	3.34

8. Reserves:

	Three months ended March 31, 2016	Year ended December 31, 2015
Balance, beginning of period	$ 311,812	$ 144,697
Change in fair value of available for sale investment	(34,687)	52,679
Warrants	-	50,113
Stock-based compensation expense (Note 7)	8,358	64,323
Balance, end of period	$ 285,483	$ 311,812

9. Supplemental information with respect to cash flows:

Cash paid for Interest	$ nil
Cash paid for income taxes	$ nil

10. Financial instruments and financial risk management:

(a) Fair Value:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments.

11. Financial instruments and financial risk management (continued):

(a) Fair Value (continued):

The fair value of marketable securities is disclosed in note 4 of the financial statements and is based on quoted market prices – Level 1.

The fair value of the debt component of the convertible note is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The fair value of the convertible component of the convertible note is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The fair value of investments in warrants is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The fair value of Other Investment, designated as available for sale, is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The Company's financial instruments other than marketable securities as at March 31, 2016 and December 31, 2015 include cash, bank overdraft, notes receivable, accounts payable and accrued liabilities. The fair value of these financial instruments, approximate their carrying amounts due to their short terms to maturity.

(b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash and cash equivalent deposits are placed with financial institutions that have a high credit rating and the Company considers the credit risk on bank deposits to be insignificant. The Company considers the credit risk on loans receivable to be low. The carrying amounts of cash, cash equivalent deposits, accounts receivable and notes receivable represents the maximum exposure to credit risk.

The Company avoids complex investment vehicles with higher risk such as asset-backed commercial paper and derivatives contracts and acquires equity investments.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The companies, in which A.I.S. holds shares, have varying degrees of liquidity and there is no assurance that the investment can be sold at the quoted market price.

11. Financial instruments and financial risk management (continued):

(d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

(e) Equity price risk:

Equity price risk arises from the fluctuations in the trading price of equity securities. The Company monitors the mix of marketable securities in its investment portfolio based on market expectations. The investments are recorded at fair value which is affected by changes in the market price of the equity securities. The nature of the equity investments exposes the Company to significant equity price risks.

(f) Interest rate risk:

The Company is not exposed to significant interest rate risk.

12. Management of capital structure:

The Company considers the amount of capital it requires in proportion to the associated risks. Generally it is the Company policy to operate with an under leveraged financial position but as conditions warrant, it may from time to time depart from this policy and use debt. Liquidity and cash management is the highest priority. Therefore adjustments may be made to the capital structure in light of changes in economic conditions and the risk characteristics of the investment portfolio. The capital structure can be adjusted in a variety of ways as circumstances may change, including: purchasing shares for cancellation (Normal Course Issuer Bid); issuing new common and preferred shares; and increasing or repaying long-term debt. The Company's objectives when managing capital are the safeguarding of assets.

The Company's share capital is not subject to external restrictions.

The Company has not paid or declared any dividends since date of incorporation, nor are any contemplated in the foreseeable future.

13. Subsequent Events

Subsequent to March 31, 2016 the Company received $14,500 in subscription funds.