ARIZONA MINING INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2016

Notice to Reader

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditor.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Financial Position
(U.S. dollars)

		March 31, 2016		December 31, 2015
Assets				
Current assets:				
Cash and cash equivalents	$	1,067,628	$	418,950
Amounts receivable (note 4)		290,549		172,951
Prepaids and other		325,742		65,130
		1,683,919		657,031
Property, plant and equipment		121,408		25,453
Other assets (note 9)		232,482		217,885
Restricted cash (note 7)		3,310,833		-
Exploration and evaluation assets (note 6)		79,578,203		73,558,572
	$	84,926,845	$	74,458,941
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	868,899	$	211,630
Due to related party (note 9)		4,697,842		1,485,486
		5,566,741		1,697,116
Reclamation and remediation provision (note 7)		5,100,386		-
Deferred rental contribution		282,805		293,446
		10,949,932		1,990,562
Equity				
Equity attributable to shareholders of the Company:				
Common shares (note 8)		88,909,392		87,233,567
Reserves		8,577,694		8,007,836
Deficit		(29,667,158)		(28,827,658)
		67,819,928		66,413,745
Non-controlling interest (note 5)		6,156,985		6,054,634
Total equity		73,976,913		72,468,379
	$	84,926,845	$	74,458,941

Nature of operations and liquidity (note 1)
Subsequent events (note 11)

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
(U.S. dollars)

	Three months ended March 31, 2016	2015
Expenses:		
Salaries and benefits	$ 258,953	$ 163,823
Stock based compensation (note 8b)	218,898	2,648
Investor relations	96,064	6,948
Professional services	51,387	15,258
Office and administrative	49,183	30,443
Filing and regulatory	21,974	23,079
Directors' fees	11,014	13,354
Travel	9,806	1,300
Depreciation	932	2,128
Loss from operations	(718,211)	(258,981)
Foreign exchange gain (loss)	55,442	(3,249)
Loss on disposition of property, plant and equipment	(2,578)	-
Interest and finance charges	(175,506)	(46,747)
Interest and other income	-	7,287
Net loss	(840,853)	(301,690)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Foreign currency translation loss (gain)	63,354	(100,290)
	(63,354)	100,290
Comprehensive loss	$ (904,207)	$ (201,400)
Net loss attributable to:		
Shareholders of the Company	$ (839,500)	$ (300,077)
Non-controlling interest	(1,353)	(1,613)
	$ (840,853)	$ (301,690)
Comprehensive loss attributable to:		
Shareholders of the Company	$ (902,854)	$ (199,787)
Non-controlling interest	(1,353)	(1,613)
	$ (904,207)	$ (201,400)
Basic and diluted net loss per share attributable to shareholders of the Company	$ (0.005)	$ (0.002)
Weighted average number of shares outstanding	163,886,067	148,040,893

See accompanying notes to the condensed consolidated interim financial statements.

(U.S. dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit	Non-controlling interest (note 5)	Total equity
Balance, January 1, 2016	161,951,958	$ 87,233,567	$ (380,584)	$ 8,388,420	$ 8,007,836	$ (28,827,658)	$ 6,054,634	$ 72,468,379
Stock based compensation expense (note 8b)	-	-	-	218,898	218,898	-	-	218,898
Stock based compensation applied to exploration and evaluation assets (note 8b)	-	-	-	76,188	76,188	-	-	76,188
Issued on private placement (note 8a)	6,069,100	1,892,651	-	-	-	-	-	1,892,651
Fair value of warrants issued (note 8a & 9)	-	(204,071)	-	338,126	338,126	-	-	134,055
Share issue costs	-	(12,755)	-	-	-	-	-	(12,755)
Required contributions for project costs (note 5)	-	-	-	-	-	-	103,704	103,704
Comprehensive loss for the period	-	-	(63,354)	-	(63,354)	(839,500)	(1,353)	(904,207)
Balance, March 31, 2016	168,021,058	$ 88,909,392	$ (443,938)	$ 9,021,632	$ 8,577,694	$ (29,667,158)	$ 6,156,985	$ 73,976,913

	Share Capital		Reserves					
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit	Non-controlling interest (note 5)	Total equity
Balance, January 1, 2015	148,040,893	$ 84,534,381	$ (612,991)	$ 6,353,922	$ 5,740,931	$ (27,292,971)	$ 5,695,615	$ 68,677,956
Stock based compensation expense (note 8b)	-	-	-	2,648	2,648	-	-	2,648
Stock based compensation applied to exploration and evaluation assets (note 8b)	-	-	-	5,553	5,553	-	-	5,553
Required contributions for project costs (note 5)	-	-	-	-	-	-	54,683	54,683
Comprehensive income (loss) for the period	-	-	100,290	-	100,290	(300,077)	(1,613)	(201,400)
Balance, March 31, 2015	148,040,893	$ 84,534,381	$ (512,701)	$ 6,362,123	$ 5,849,422	$ (27,593,048)	$ 5,748,685	$ 68,539,440

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Cash Flows
(U.S. dollars)

	Three months ended March 31, 2016	2015
Cash provided by (used in):		
Operating activities:		
Net loss for the period	$ (840,853)	$ (301,690)
Items not affecting cash:		
Stock based compensation	218,898	2,648
Unrealized foreign exchange loss	19,287	24,250
Interest and finance charges	174,248	45,660
Amortization of deferred rental contribution	(28,621)	(53,424)
Depreciation	932	2,128
Loss on disposition of property, plant and equipment	2,578	-
Net changes in non-cash working capital items:		
Amounts receivable	(13,894)	(10,683)
Prepaids and other	(9,175)	83,898
Accounts payable and accrued liabilities	22,710	(23,455)
	(453,890)	(230,668)
Financing activities:		
Proceeds from private placement (note 8a)	1,892,651	-
Share issue costs	(12,755)	-
Advances from related party (note 9)	2,798,377	726,501
Finance fees paid	(28,445)	(25,413)
Contributions from non-controlling interest (note 5)	-	114,500
	4,649,828	815,588
Investing activities:		
Purchase of property, plant and equipment	(104,992)	(256)
Additions to exploration and evaluation assets	(970,621)	(549,845)
Payments toward reclamation and remediation provision	(99,626)	-
Restricted cash contributions	(2,310,833)	-
	(3,486,072)	(550,101)
Effect of exchange rate changes on cash and cash equivalents	(61,188)	(9,033)
Increase in cash and cash equivalents	648,678	25,786
Cash and cash equivalents, beginning of period	418,950	46,910
Cash and cash equivalents, end of period	$ 1,067,628	$ 72,696
Supplementary information:		
Cash and cash equivalents, end of year comprise:		
Cash and balances with banks	$ 1,049,842	$ 54,506
Short-term investments	17,786	18,190
	$ 1,067,628	$ 72,696
Non-cash investing and financing activities:		
Change in accounts payable and accrued liabilities reflected in investing activities	$ 634,559	$ 279,482
Mineral property acquisition costs in exchange for assumed reclamation and remediation provision	$ 4,277,480	$ -
Restricted cash contributions in exchange for assumed reclamation and remediation provision	$ 1,000,000	$ -

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of Operations and Liquidity

Arizona Mining Inc. (the "Company" or "Arizona Mining") is incorporated in British Columbia, Canada. At March 31, 2016 the Company held a majority ownership interest in the Hermosa Project in Arizona, United States, through its direct ownership of the patented mining claims acquired on January 26, 2016 (see note 6) and its ownership of 80% of the common shares and approximately 90% of the preference shares of Arizona Minerals Inc. ("AMI"), a Nevada corporation and the holder of the balance of the Hermosa Project. The remaining 20% of the common shares and approximately 10% of the preference shares of AMI were held by 5348 Investments Ltd. ("5348 Investments"), an indirect wholly owned subsidiary of a private British Columbia company controlled by Richard W. Warke, a Director of the Company and the Company's Executive Chairman. On May 4, 2016 the Company closed the acquisition of 5348 Investments, thereby acquiring the 20% of the common shares and approximately 10% of the preference shares of AMI that it did not own and now holds 100% of AMI and therefore the Hermosa Project (see note 11c). The Company's corporate office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1 and its shares are listed on the Toronto Stock Exchange and trade under the symbol "AZ".

The Company is engaged in the acquisition, exploration and development of mineral property interests. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations. The amounts shown as exploration and evaluation assets represent acquisition and exploration costs and do not necessarily represent present or future values. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

At March 31, 2016 the Company had cash and cash equivalents of $1,067,628 and a working capital deficiency of $3,882,822. On April 25, 2016, the Company closed previously announced financings for a total of C$15.59 million (see note 11b). Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months. However, additional funds may be required to complete the level of expenditures planned on exploration activities on the Hermosa Project and the Company may need to seek additional funding to finance such activities. The Company has historically raised funds principally through the sale of securities, advances from Company insiders and most recently from the sale of a net smelter royalty. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms.

The Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. These financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with

International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company's audited consolidated financial statements as at and for the year ended December 31, 2015. Under the authority delegated to them by the Board of Directors, the Audit Committee authorized these financial statements for issue on May 9, 2016.

3. Changes in Accounting Policies

New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRS 9, Financial Instruments: Classification and Measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued in July 2014, moved the mandatory effective date to January 1, 2018. The Company expects to adopt this standard effective January 1, 2018 and has not yet assessed the impact on its financial reporting.

On January 13, 2016, the IASB issues IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of IFRS 16 on its financial statements.

4. Amounts Receivable

	March 31, 2016	December 31, 2015
Due from 5348 Investments (Note 5)	$ 242,793	$ 139,089
Due from related party (Note 9)	4,856	4,530
GST/HST receivable	11,872	7,228
Other	31,028	22,104
	$ 290,549	$ 172,951

5. Non-Controlling Interest

Non-controlling interest ("NCI") represents the 20% interest in the common shares and approximately 10% interest in the preference shares of AMI held by 5348 Investments. See Note 11c "Subsequent Events" with respect to the acquisition by the Company of 5348 Investments and thereby the minority interest in AMI.

Pursuant to a shareholders' agreement (the "Shareholders' Agreement") governing the affairs of AMI, the Company controls the affairs of AMI and acts as the operator of the Hermosa property. Funding is provided to AMI in accordance with the Shareholders' Agreement and is by way of advances, which are subsequently converted to preference shares. The preference shares have priority over the common shares with respect to distributions and repayment. The Shareholders' Agreement generally requires 5348 Investments to fund 10% of AMI costs incurred on the originally acquired patented and unpatented claims on the Hermosa property and 20% of AMI costs incurred on any other claims subsequently acquired or staked. The Shareholders' Agreement provides for dilution of 5348 Investments' interest in the common shares to a minimum of 10% in the event it fails to fund its share of any funding for approved programs.

As a result of the acquisition of 5348 Investments by the Company (Note 11c), the Shareholders' Agreement was terminated effective May 4, 2016.

Non-controlling interest increased by $102,351 in the three months ended March 31, 2016 (March 31, 2015 – $53,070) as a result of $103,704 (March 31, 2015 – $54,683) of required contributions plus the non-controlling interest share of comprehensive loss for the period of $1,353 (March 31, 2015 – $1,613). Amounts receivable includes $242,793 (December 31, 2015 – $139,089) outstanding from 5348 Investments with respect to these arrangements.

6. Exploration and Evaluation Assets

Exploration and evaluation assets relate to the acquisition costs and exploration and evaluation expenditures on the Company's interest in the Hermosa Project, in Arizona, United States.

On January 26, 2016, the Company closed the acquisition of certain patented mining claims adjacent to the Company's Hermosa Taylor Deposit. As consideration for the acquisition, the Company assumed the environmental liabilities relating to past activities on the site, which are estimated at $5,277,480 (Note 7). After accounting for the contribution into escrow of $1,000,000 cash from a former owner of the site, the net balance of $4,277,480 has been recognized as the cost of the acquired mineral property interest.

The following is a summary of changes in exploration and evaluation assets for the three months ended March 31, 2016 and 2015:

	2016	2015
Balance, start of period	$ 73,558,572	$ 70,371,838
Additions:		
Mineral property acquisition costs – above	4,277,480	-
Mineral property acquisition costs – other	192,870	-
Drilling	345,066	396,491
Property access, restoration and maintenance	168,849	80,558
Assay and analysis	7,172	38,893
Salaries, benefits and stock based compensation	309,796	156,529
Geologic consulting and support	12,608	54,072
Engineering and metallurgy	72,330	-
Environmental baseline studies & permitting	90,819	-
Other	181,614	79,829
	5,658,604	806,372
Foreign currency translation adjustment	361,027	-
	6,019,631	806,372
Balance, end of period	$ 79,578,203	$ 71,178,210

7. Reclamation and Remediation Provision

	Three Months Ended March 31, 2016	Year Ended December 31, 2015
Balance, start of period	$ -	$ -
Initial recognition arising on acquisition (note 6)	5,277,480	-
Accretion	-	-
Expenditures in period	(177,094)	-
Balance, end of period	$ 5,100,386	$ -

The reclamation and remediation provision represents the estimated costs required to provide restoration and rehabilitation for past activities on the patented mining claims acquired (“Acquired Claims”) by the Company (note 6). The total uninflated and undiscounted estimated cash flows required to settle these obligations are $5,311,194, which have been inflated at an average rate of 2.03% per annum and discounted at an average rate of 1.96% per annum being an estimate of the risk free, pre-tax cost of borrowing over the respective periods. These obligations are expected to be funded from cash held in escrow of $2,455,452 and working capital.

With respect to the Acquired Claims, the Company submitted a remediation work plan that addresses the environmental liabilities, which has been approved by the Arizona Department of Environmental Quality. In accordance with the plan, the Company is required to construct a passive water treatment system estimated to cost $2,918,452 plus contingencies of $322,712, which will be primarily funded from the cash held in escrow. In addition, the Company posted two bonds totaling $1,968,940 as security for the future operating performance of the passive water treatment system. The Company has posted $855,381 with the bond surety company as collateral for the bonds, which together with cash held in escrow of $2,455,452 is included in restricted cash.

8. Share Capital

a) Private placement

On March 2, 2016, the Company closed 6,069,100 units of a private placement at a price of C$0.42 per unit for gross proceeds of C$2,549,022 (US$1,892,651). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share until September 2, 2017. The balance of the private placement of 0.65 million units for gross proceeds of C$0.27 million closed on April 28, 2016 (note 11a).

The Company determined that the fair value of the warrants issued on March 2, 2016 was $204,071. The fair value was determined by separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1.5 years; annualized volatility of 70%; a risk free interest rate of 1%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the Company’s shares.

b) Stock options

For the three months ended March 31, 2016, the Company recognized a stock-based compensation charge against income of $218,898 (March 31, 2015 – $2,648). A further $ 76,188 (March 31, 2015 – $5,553) was capitalized to exploration and evaluation assets.

The following table shows the change in the Company's stock options during the three months ended March 31, 2016 and 2015:

	2016		2015	
	Number of Options	Weighted Average Exercise Price (in CAD)	Number of Options	Weighted Average Exercise Price (in CAD)
Balance, start of period	11,074,000	$0.39	4,171,160	$0.96
Forfeited	-	-	(41,500)	$0.85
Expired	-	-	(1,082,501)	$0.71
Balance, end of period	11,074,000	$0.39	3,047,159	$1.05

The following table provides information on outstanding and exercisable stock options at March 31, 2016:

		Options Outstanding		Options Exercisable	
Grant Date	Exercise Price (in C$)	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
March 24, 2014	$0.59	24,000	2.98	16,000	2.98
August 18, 2014	$0.51	100,000	3.38	100,000	3.38
May 25, 2015	$0.40	9,390,000	4.15	250,000	4.15
May 27, 2015	$0.43	125,000	4.16	62,500	4.16
October 29, 2015	$0.29	1,435,000	4.58	-	4.58
		11,074,000	4.20	428,500	3.93

c) Warrants

The following summarizes the warrants outstanding at March 31, 2016:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2015	Issued	March 31, 2016
August 20, 2014	$0.55	August 20, 2016	4,500,000	-	4,500,000
June 12, 2015	$0.60	June 12, 2017	6,008,499	-	6,008,499
November 10, 2015	$0.45	November 10, 2020	2,000,000	-	2,000,000
December 18, 2015	$0.45	December 18, 2020	5,902,566	-	5,902,566
January 13, 2016	$0.30	January 13, 2021	-	1,000,000	1,000,000
March 2, 2016	$0.60	September 2, 2017	-	3,034,550	3,034,550
			18,411,065	4,034,550	22,445,615

9. Related Party Transactions

In addition to the related party transactions or balances disclosed elsewhere in these condensed consolidated interim financial statements, the Company had the following related party transactions.

The Company shares office space, equipment, personnel and various administrative services with other companies (Catalyst Copper Corp. and Armor Minerals Inc.) related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost.

The Company was charged for the following with respect to these arrangements in the three months ended March 31, 2016 and 2015:

	2016	2015
Salaries and benefits	$ 235,194	$ 142,861
Office and administrative	106,722	90,746
Other income	-	(7,253)
	$ 341,916	$ 226,354

In addition, for the three months ended March 31, 2016, the Company charged out $nil (March 31, 2015 – $7,533) and at March 31, 2016, amounts receivable includes $4,856 (December 31, 2015 – $4,530) and prepaids and other includes $31,847 (December 31, 2015 – $25,962) with respect to these arrangements.

Other assets of $232,482 (December 31, 2015 – $217,885) relate to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

At March 31, 2016, due to related party comprises loans totalling C$5,856,287 (US$4,514,907) plus accrued interest of C$237,285 (US$182,935) due to company controlled by the Company's Executive Chairman, as follows:

- Three loans totalling C$2.0 million received in 2015. The loans are unsecured, bear interest at 8% per annum and are repayable on the earlier of (i) one year from the date of advance, (ii) a change of control of the Company, or (iii) the completion of a financing of C$4.0 million or more by way of sale of securities from treasury of the Company or through the issuance of debt or other form of financing. The loans and accrued interest were repaid on April 26, 2016.

- C$4.0 million (US$2,798,377) received on January 13, 2016, in connection with the acquisition of certain patented mining claims (note 6). The loan is unsecured, repayable on the earlier of: one year from the date of advance; the date of any change of control of the Company; or the date the Company completes a financing of C$10,000,000 or more by way of sale of securities from treasury or through the issuance of debt or other form of financing. The loan bears interest at 16% per annum, compounded monthly and is subject to a cash fee of 1% with an additional 1% fee payable after three months if the loan remains outstanding. In addition, 1,000,000 warrants have been issued to the lender. Each warrant entitles the lender to purchase one common share at a price of C$0.30 per common share until January 13, 2021. The lender waived its right to early repayment following the $15.6 million financing that closed on April 25, 2016 (note 11b).

10. Segment Information

The Company operates in one industry segment, being mineral exploration and development. Geographic information is as follows:

	United States	Canada	Total
Long-term assets as at:			
March 31, 2016	$ 83,010,388	$ 232,538	$ 83,242,926
December 31, 2015	$ 73,583,922	$ 217,988	$ 73,801,910

11. Subsequent Events

a) Private Placements

On April 28, 2016, the Company closed the balance of a private placement issuing 647,000 units to certain of the Company's directors and officers at a price of C$0.42 per unit for gross proceeds of C$271,740. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share until October 28, 2017.

On April 28, 2016, the Company closed a C$280,000 private placement of 500,000 units at a price of C$0.56 per unit with a director of the Company. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.75 per common share until October 28, 2017.

b) Royalty Financing and Private Placement

On April 25, 2016, the Company closed a financing for a total of C$15.6 million, comprised of the sale of a net smelter royalty and certain private placements. Osisko Gold Royalties Ltd. ("Osisko") acquired a 1% net smelter royalty on all sulfide ores of lead and zinc (and any copper, silver or gold recovered from the concentrate from such ores) mined from the Hermosa Project for proceeds of C$10.0 million. Osisko also subscribed for a total of 8.93 million units (each a "Unit") at a price of C$0.56 per Unit, for gross proceeds of C$5.00 million and other parties subscribed for 1.06 million Units for a further C$0.59 million. Each Unit consists of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant is convertible into one common share of the Company at a price of C$0.75 until October 25, 2017.

c) Acquisition of Minority Interest in AMI

On May 4, 2016, the Company closed the acquisition of 5348 Investments thereby acquiring the remaining 20% interest in the common shares and approximately 10% of the preference shares of AMI, which the Company did not own, from a private company controlled by Richard W. Warke, a Director and Executive Chairman of the Company. The Company issued 40 million common shares and 5 million common share purchase warrants as consideration for the acquisition. Each common share purchase warrant is convertible into one common share of the Company at a price of C$0.50 until May 4, 2019.