CHAMPION BEAR RESOURCES LTD.

Condensed Interim Financial Statements

For the Three Months ended March 31, 2016 and 2015

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Champion Bear Resources Ltd. for the three months ended March 31, 2016 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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 indication that an auditor has not reviewed the financial statements.

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

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

CHAMPION BEAR RESOURCES LTD.
Statements of Financial Position

	March 31, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	$ **4,304**	$ 3,545
Accounts receivable	**5,896**	5,451
Available-for-sale investments *(note 5)*	**12,280**	6,798
	22,480	15,794
Property and equipment *(note 6)*	**30,530**	32,093
Exploration and evaluation assets *(note 7)*	**5,666,518**	5,665,861
	5,697,048	5,697,954
Total Assets	$ **5,719,528**	$ 5,713,748
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ **297,170**	$ 329,950
Related party payables *(note 9)*	**1,342,382**	1,245,629
	1,639,552	1,575,579
Share capital *(note 8)*	**24,687,861**	24,687,861
Equity reserve	**3,865,408**	3,855,160
Deficit	**(24,473,293)**	(24,404,852)
	4,079,976	4,138,169
Total Liabilities and Equity	$ **5,719,528**	$ 5,713,748

Going Concern *(note 2)*
Commitments *(note 11)*

See accompanying notes to the financial statements

CHAMPION BEAR RESOURCES LTD.
Condensed Interim Statements of Loss and Comprehensive Loss
Three months ended March 31, 2016 and 2015
(unaudited)

		2016		2015
Expenses				
General and administrative *(note 9)*	**$**	**14,053**	$	62,287
Consulting fees *(note 9)*		**48,000**		48,000
Interest expense		**59**		30
Share-based compensation *(note 8)*		**10,248**		23,225
Depreciation *(note 6)*		**1,563**		2,226
		73,923		135,768
		(73,923)		(135,768)
Other loss				
Impairment gain (loss) on available for sale investments *(note 5)*		**5,482**		-
		5,482		-
Net loss for the period		**(68,441)**		(135,768)
Total comprehensive loss for the period	**$**	**(68,441)**	$	(135,768)
Net loss per share — Basic and diluted *(note 10)*	**$**	**(0.002)**	$	(0.003)

See accompanying notes to the financial statements

CHAMPION BEAR RESOURCES LTD.
Condensed Interim Statements of Cash Flows
Three months ended March 31, 2016 and 2015
(unaudited)

	2016	2015
Operating activities		
Net income (loss) for the period	**$ (68,441)**	$ (135,768)
Items not involving cash:		
Share-based compensation	**10,248**	23,225
Amortization	**1,563**	2,226
Impairment (gain) loss on available for sale investments	**(5,482)**	-
Changes in non-cash working capital	**63,528**	117,152
Net cash used in operating activities	**1,416**	6,835
Investing activities		
Exploration and evaluation asset expenditures	**(657)**	(652)
Changes in non-cash working capital	**-**	(100)
Net cash (used) provided in investing activities	**(657)**	(752)
Increase (decrease) in cash and cash equivalents	**759**	6,083
Cash and cash equivalents, beginning of period	**3,545**	489
Cash and cash equivalents, end of period	**$ 4,304**	$ 6,572

See accompanying notes to the financial statements

CHAMPION BEAR RESOURCES LTD.

Condensed Interim Statements of Shareholders' Equity

Three months ended March 31, 2016 and 2015

(unaudited)

	Number of Shares	Share Capital	Equity Reserve	Deficit	Total
Balance, January 1, 2015	41,466,325	$ 24,687,861	3,780,147	(20,529,578)	$ 7,938,430
Share-based compensation *(note 9)*	-	-	75,013	-	75,013
(Loss) for the period	-	-	-	(3,875,274)	(3,875,274)
Balance, December 31, 2015	41,466,325	24,687,861	3,855,160	(24,404,852)	4,138,169
Balance, January 1, 2016	41,466,325	$ 24,687,861	3,855,160	(24,404,852)	$ 4,138,169
Share-based compensation *(note 9)*	-	-	10,248	-	10,248
(Loss) for the period	-	-	-	(68,441)	(68,441)
Balance, March 31, 2016	41,466,325	$ 24,687,861	3,865,408	(24,473,293)	$ 4,079,976

See accompanying notes to the financial statements

1. Basis of presentation and going concern

Champion Bear Resources Ltd. (the "Company") was incorporated under the laws of the Province of Alberta. The Company's shares are traded on the TSX Venture Exchange ("TSXV"). The Company is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Company has not generated revenues and is considered to be in the exploration stage.

The Company's registered office is located at 2005 – 9th Street SW, Calgary, Alberta, T2T 3C4.

On May 2, 2016, the Company's Board of Directors approved the condensed interim financial statements for the three months ended March 31, 2016 and authorized them for issue.

2. Going concern

These unaudited condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3. Accordingly, their carrying amount represent costs incurred to date, net of impairment losses, and do not necessarily reflect present or future values. As at March 31, 2016, the Company had a working capital deficiency of $1,617,072, an accumulated deficit of $24,473,293, has used cash in operating activities of $1,416 and has recognized a net loss of $68,441.

The Company is in the process of exploring its mineral property interests, which will require the Company to obtain financing, and has not yet determined whether its mineral properties contain reserves that are economically recoverable. To ensure the mineral claims remain in good standing, the Company has certain commitments to meet (Note 11) and if these commitments are not met, or the appropriate applications for extension are not filed by the Company or accepted by the Ontario Ministry of Northern Development and Mines, the Company may lose their right to explore these mineral properties. Therefore, the Company's ability to continue as a going concern is dependent on both its ability to obtain additional financing to meet these commitments and discharge its working capital deficiency as well as the ongoing forbearance of its creditors and related parties to which amounts are owed.

The requirements to raise funds for general operating activities and current commitments will necessitate raising capital or disposing of assets. Should funds not be available, exploration activities will be limited. These matters raise significant doubt on the ability of the Company to continue to meet its obligations and continue as a going concern. Should the going concern assumption not be appropriate, certain asset and liability amounts would require adjustment and reclassification.

3. Statement of compliance

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

4. Significant accounting policies

Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which we have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which we have rights to only the net assets of the arrangement.

The Company has interests in joint operations. Joint operations are accounted for by recognizing our share of the assets, liabilities, revenues, expenses and cash flows of the joint operation in our consolidated financial statements.

Finance income

Finance income is comprised of interest income and is recognized as it accrues in profit or loss.

Foreign currency translation

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

Property and equipment

Property and equipment is recorded at cost less accumulated depreciation. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location, and condition necessary for its intended use.

Depreciation is calculated using the declining balance method to write off the cost of asset, less the estimated residual value, at the following rates:

Computer equipment 45%
Other equipment 20%
Furniture and fixtures 20%
Camp equipment 20%
Trailers and Steel Building 30%
Fences 10%

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

Mineral properties and mine development costs

The cost of acquiring and developing mineral properties or property rights, including pre-production waste rock stripping costs related to mine development and costs incurred during production to increase future output are capitalized.

Waste rock stripping costs incurred in the production phase of a surface mine are capitalized as production stripping costs within property, plant and equipment when it is probable that the stripping activity will improve access to the ore body. When the actual waste to ore stripping ratio in a period is greater than the expected life-of-component waste to ore stripping ratio for a component, the excess is capitalized as capitalized production stripping costs.

Once available for use, mineral properties and mine development costs are depreciated on a units-of-production basis over the proven and probable reserves to which they relate. Capitalized stripping costs incurred are depreciated on a units-of-production basis over the proven and probable reserves of the respective component of the mine to which they relate.

Underground mine development costs are depreciated using the block depreciation method where development costs associated with each distinct section of the mine are depreciated over the reserves to which they relate.

Exploration and evaluation assets

After the Company obtains the right to explore a property all exploration costs are capitalized, which includes licence acquisition costs and all costs associated with exploration and evaluation activities relating to specific properties as incurred, until those properties are determined to be commercially viable for mineral production. Once a project has been established as commercially viable and technically feasible, the accumulated exploration and evaluation costs, less any impairment, are transferred to property, plant and equipment and assessed for impairment. Subsequent development expenditures are capitalized as property plant and equipment. Capitalization ceases when the mine is capable of commercial operations.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

The actual recoverable value of capitalized expenditures for mineral properties and deferred exploration costs will be contingent upon the discovery of economically viable reserves and the Company’s financial ability at that time to fully exploit these properties or determine a suitable plan of disposition.

Share-based payments

The share option plan allows Company employees (including directors and senior executives) and consultant to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity.

The Company uses the fair value method for valuing stock option grants using the Black Scholes option pricing model. Under this model, the stock options granted are measured at fair value on the date of grant and the costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

At the time when the share options are exercised, the amount previously recognized in share option reserve is transferred to share capital. When unvested options are forfeited or are not exercised at the expiry date the amount previously recognized in respect of the forfeited options is reversed.

Taxation

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

(b) Deferred income tax

Deferred income tax is recognized on temporary taxable differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Flow-through shares

The Company, from time to time, issues flow-through shares to finance a portion of its capital expenditure program. Pursuant to the terms of the flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. The difference between the value ascribed to flow-through shares issued and the value that would have been received for common shares at the date of issuance of the flow-through shares is initially recognized as a liability on the statement of financial position. When the expenditures are incurred, the liability is drawn down, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Company as a result of the renunciation, and the difference is recognized in profit or loss.

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity investments, available-for-sale financial assets, loans and receivables, other financial liabilities or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income to the extent the losses are considered non-permanent. Subsequent to initial recognition at fair value, less any transaction costs, held-to-maturity investments, loans and receivables and financial liabilities are measured at amortized cost using the effective interest rate method.

The Company has the following classifications for its financial instruments:

a) Investments have been classified as available for sale.

b) Cash and accounts receivables have been classified as loans and receivables.

c) Accounts payable and accrued liabilities have been classified as other liabilities.

The transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability classified as FVTPL are expensed immediately. For a financial asset or financial liability carried at amortized cost, transaction costs directly attributable to acquiring or issuing the asset or liability are added to or deducted from the fair value on initial recognition and amortized through profit or loss income over the term of the financial instrument.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables.

Impairment of financial assets *(continued)*

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Other than temporary impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, to profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Exploration and evaluation assets are also assessed for impairment when they are transferred to development and production assets and also when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units), on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Reclamation liabilities

Reclamation liabilities relating to legal or constructive obligations for future site reclamation and closure of the Company's mine sites are recognized when incurred and a liability and corresponding asset are recorded. Estimated closure and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs.

Reclamation liabilities *(continued)*

The amount of any liability recognized is estimated based on the risk-adjusted costs required to settle present obligations, discounted using a risk free rate consistent with the time period of expected cash flows.

When the liability is initially recorded, a corresponding asset retirement cost is recognized as an addition to mining interests and amortized using the unit of production method.

The liability for each mine site is accreted over time and the accretion charges are recognized as a finance cost in the Statements of (Loss) and Comprehensive (Loss). The liability is subject to re-measurement at each reporting date based on changes in discount rates and timing or amounts of the costs to be incurred. Changes in the liability, other than accretion charges, relating to mine rehabilitation and restoration obligations, are added to or deducted from the carrying value of the related asset retirement cost in the reporting period recognized.

Earnings (loss) per share

Basic earnings (loss) per share are computed by dividing earnings (loss) by the weighted average number of shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options and warrants.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash.

Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods. However, actual outcomes can differ from these estimates.

Management has made a number of significant estimates and valuation assumptions based on present conditions and management's planned course of action as well as assumptions about future business and economic condition which include, but are not limited to, the following:

- **Exploration and evaluation assets**

  The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining the existence of possible impairment indicators and whether

- **Exploration and evaluation assets** *(continued)*

  the future economic benefits are likely, which are based on assumptions about future events or circumstances, including the Company's expectations of commercial feasibility, resource and reserve estimates and views of future commodity prices. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written down to the estimated recoverable amount in profit or loss in the period when the new information becomes available.

- **Stock-based compensation**

  Stock based compensation is accounted for using the fair market value method. Under this method, stock option expense is determined by the Black-Scholes option pricing model using the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, estimated forfeiture rates the fair value of the Company's stock and the risk-free interest rate. Differences in the estimation process for the determination of the assumptions used could cause differences in the determination of fair value.

- **Recovery of deferred income tax assets**

  Judgement is required in determining whether deferred income tax assets are recognized on the statement of financial position. Deferred income tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

Adoption of recent accounting pronouncements:

(a) Recent accounting pronouncements:

The following new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements.

IFRS 9 *Financial Instruments* ("IFRS 9") eliminates the existing financial asset categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition: financial assets measured at amortized cost; or financial assets measured at fair value. Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, for which an irrevocable election can be made to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual investment basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The extent of the impact of adoption of IFRS 9 has not yet been determined.

Adoption of recent accounting pronouncements: *(continued)*

(a) Recent accounting pronouncements: (continued)

IFRS 15 *Revenue from Contracts with Customers ("IFRS 15")* was issued to clarify the principles for recognizing revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard on the financial statements.

IFRS 16, Leases ("IFRS 16") introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of determining the impact of IFRS 16 on its financial statements.

5. Investments

The Company's investment in Wallbridge Mining Company Ltd. "Wallbridge" common shares and Carube Copper Corp. "Carube", formerly Miocene Metals Limited "Miocene" common shares have been classified as available-for-sale and are recognized at fair value at December 31, 2015. Changes in fair value are recognized in loss and comprehensive loss due to permanent losses being recognized.

In August 2015, 2,500 common shares of Miocene Metals Limited exchanged on a 10 for 1 basis for 250 Carube Cooper Corp. common shares. In August 2015, 41,359 common shares of Miocene Metals Limited exchanged on a 10 for 1 basis for 4,135 Carube Cooper Corp. common shares.

Investments are classified as available for sale and are comprised of the following:

	# Shares	Cost	Fair Value	Impairment (Gain) Loss
		$	$	$
March 31, 2016				
Wallbridge Mining Company Limited	263,158	100,000	11,842	(5,263)
Carube Copper Corp.	4,385	Nil	438	(219)
	267.543	100,000	12,280	(5,482)
December 31, 2015				
Wallbridge Mining Company Limited	263,158	100,000	6,579	6,579
Miocene Metals Limited	4,385	Nil	219	219
	267,543	100,000	6.798	6,798

6. Property and equipment

	Computer equipment $	Other equipment $	Furniture $	Mining equipment $	Trailers $	Fences $	Total $
Cost							
At January 1, 2015	8,064	34,913	16,712	172,508	139,792	27,368	399,357
Additions (Disposals	-	-	-	(3,000)	-	-	(3,000)
At December 31, 2015	8,064	34,913	16,712	169,508	139,792	27,368	396,357
Additions (Disposals)	-	-	-	-	-	-	-
At March 31, 2016	8,064	34,913	16,712	169,508	139,792	27,368	396,357
Accumulated Amortization							
At January 1, 2015	7,560	34,184	15,172	158,244	126,234	14,264	355,658
Charge for the period	221	147	307	2,553	4,068	1,310	8,606
At December 31, 2015	7,781	34,331	15,479	160,797	130,302	15,574	364,264
Charge for the period	31	29	61	435	712	295	1,563
At March 31, 2016	7,812	34,360	15,540	161,232	131,014	15,869	365,827
Net book value							
At January 1, 2015	504	729	1,540	14,264	13,558	13,104	43,699
At December 31, 2015	283	582	1,233	8,711	9,490	11,794	32,093
At March 31, 2016	252	553	1,172	8,276	8,778	11,499	30,530

7. Exploration and Evaluation Assets

	Plomp Farm	Eagle Rock	Parkin	Total
	$	$	$	$
Balance January 1, 2015	3,348,258	3,518,735	2,146,163	9,013,156
Additions				
Surveying and geological	-	963	-	963
Land maintenance	2,287	-	-	2,287
	3,350,545	3,519,698	2,146,163	9,016,406
Impairment of mineral properties	(3,3540,545)	-	-	(3,350,545)
Balance December 31, 2015	-	3,519,698	2,146,163	5,665,861
Land maintenance	657	-	-	657
Balance March 31, 2016	657	3,519,698	2,146,163	5,666,518

The Company's exploration and evaluation asset interests are located as follows:

(a) Plomp Farm

The Plomp Farm Gold Property is located 25 kilometres west of Dryden, Ontario and consists of two main claim blocks.

(b) Eagle Rock

The Eagle Rock Property is located 65 kilometres south of Dryden, Ontario.

In October 2011, a National Instrument 43-101 Pre-Feasibility Technical Report was completed by Tetra Tech Wardrop on the Eagle Rock Property and recommends a two-phase C$2.0 million program.

(c) Parkin Joint Venture

The Parkin Project is located 5 kilometres northeast of the Sudbury Basin and covers a significant portion of the Parkin Offset Dike. The Company holds a 50% interest in the property and has a carried interest to production.

The Company determined there was an indication of impairment related to its E&E assets due to the combined effects of the Company's market capitalization compared to its net asset value, the significant uncertainty caused by the Company's ability to secure adequate financing as well as a delay in E&E activity in the Plomp Farm asset.

The Company performed an impairment assessment as at December 31, 2015. The recoverable amount was determined using fair value less costs to sell. There was no salvage value attributed to the assets due to the uncertainty of the ability to dispose of the related equipment and asset. The Company determined that exploration and evaluation assets with a carrying amount of $3,350,545 were no longer recoverable and written down to nil; an impairment loss of $3,350,545 was recognized which specifically relates to the Plomp Farm asset.

7. Exploration and Evaluation Assets *(continued)*

The Company's exploration and evaluation asset interests are located as follows: *(continued)*

Disclosure of sensitivities of the recoverable amount to changes in management estimates are not meaningful given the methodology described above in determining the fair value less costs, however the Company's ability to secure adequate financing for the development of the assets on economic terms, could result in a material difference from the current estimate of the recoverable amount.

8. Share capital

a) Authorized

Unlimited number of voting common shares, without nominal or par value
Unlimited number of first and second preferred shares, issuable in a series

b) Common shares issued

	Number	Amount
Balance – December 31, 2015	41,466,325	$ 24,687,861
Balance – March 31, 2016	41,466,325	$ 24,687,861

c) Share purchase option compensation plan

The Company has a stock option plan, administered by the Board of Directors, pursuant to which up to 6,291,742 common shares of the Company are reserved for issuance. Under the plan, the options vest over an eighteen month period and expire on the earlier of up to five years from date of grant or up to 90 days from the date from which the optionee ceases to be a director, officer, employee or consultant of the Company.

A continuity of stock options is presented in the following table:

	March 31, 2016		December 31, 2015	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
Opening	4,145,929	$ 0.12	4,146,627	$ 0.14
Granted	270,000	0.06	709,000	0.13
Forfeited	-	-	(533,698)	0.26
Expired	(270,000)	0.30	(176,000)	0.20
Closing	4,145,929	$ 0.11	4,145,929	$ 0.12

8. Share capital *(continued)*

c) Share purchase option compensation plan *(continued)*

The following summarizes information about stock options outstanding and exercisable as at March 31, 2016:

Exercise Price	Number Outstanding	Weighted-Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$ 0.24	401,094	0.5	401,094	$ 0.24
0.12	730,000	1.7	730,000	0.12
0.05	548,000	2.8	548,000	0.05
0.16	454,835	3.3	454,835	0.16
0.05	1,033,000	2.4	1,033,000	0.05
0.13	709,000	3.9	472,664	0.13
0.06	270,000	4.8	-	0.06
$ 0.11	4,145,929	2.7	3,639,593	$ 0.11

In January 2016, 270,000 stock options at an exercise price of $0.30 expired and the Company granted 270,000 stock options to the President and Chairman of the Company and one of the Company's directors at an exercise price of $0.06 per common share. The options vest as to one-third thereof on each of the six, twelve and eighteen month anniversaries of the date of the grant. The fair value of the stock options granted was estimated to be approximately $0.0429 per option.

During the three months ended March 31, 2016, the Company recognized $10,248 of share-based compensation expense for options granted (2015 - $23,225). Each vesting installment is accounted for as a separate arrangement with the related share-based compensation expensed in a graded vesting method.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following weighted average assumptions:

	2016	2015
Risk-free interest rate	0.82% to 0.92%	0.92%
Dividend yield	Nil	Nil
Expected volatility	81.7%	81.7%
Expected option life	5.0 years	5.0 years

9. Related party transactions

The Company had the following related party transactions in the normal course of operations at the amount determined and agreed to by the related parties and also considered to be the fair value. There are no repayment terms for the following related part transactions:

Related party expenses for the three months ended March 31, 2016	Consulting Fees	Capitalized Technical and Consulting Fees	Legal Fees	Rent Expense
	$	$	$	$
Tomahawk Oil and Gas Limited (1)	48,000	-	-	-
Richard Kantor (2)	-	-	-	6,000
Glen Oaks Accounting (3)	13,500	-	-	-
Three months ended March 31, 2015				
Tomahawk Oil and Gas Limited (1)	48,000	-	-	-
Richard Kantor (2)	-	-	-	6,000
Glen Oaks Accounting (3)	13,500	-	-	-

(1) Tomahawk Oil and Gas Limited, a private corporation controlled by Richard Kantor, the Company's Chairman and President
(2) Richard Kantor, the Company's Chairman and President

(3) Glen Oaks Accounting, a private corporation controlled by Audrey Och, the Company's Chief Financial Officer

(a) During the three months ended March 31, 2016, consulting fees of $48,000 (2015 - $48,000), were billed by a corporation controlled by the Company's Chairman and President. In addition, office rent of $6,000 (2015 - $6,000) was paid to the Company's Chairman and President during the same period, which is not included in the table above. Included in related party payables for Tomahawk Oil & Gas Ltd. as at March 31, 2016 is $709,211 (December 31, 2015 - $655,045) and for Richard Kantor as at March 31, 2016 is $68,400 (December 31, 2015 - $64,200) in respect of these amounts.

(b) During the three months ended March 31, 2016, accounting fees of $13,500 (2015 - $13,500) were billed by the Chief Financial Officer of the Company. Included in related party payables as at March 31, 2016 is USD $281,142 - ($364,669), which includes $107,937 in fees prior to Audrey Och being appointed Chief Financial Officer and includes a total of $83,527 in foreign exchange fees of which $18,961 was recovered (2015 - $25,753) is included in general and administrative expense, (December 31, 2015 - $369,384) in respect of these amounts.

9. Related party transactions *(continued)*

(c) Included in related party payables as at March 31, 2016 is $168,103, which are advances to the Company by Brad Butler, a director of the Company (December 31, 2015 - $125,000).

(d) Included in related party payables as at March 31, 2016 is $32,000, which is an advance to the Company by Frank Sutton, a shareholder of the Company (December 31, 2015 - $32,000).

The related party payables are non- interest bearing and there are no terms of repayment.

Key management personnel compensation:

The remuneration of Directors, President, and CEO was as follows:

		2016		2015
Consulting fees (1)	$	61,500	$	61,500
Stock based compensation (2)		10,248		23,225
	$	71,748	$	84,725

(1) At March 31, 2016 and March 31, 2015 key management personnel included 5 individuals.
(2) Represents the amortization of share based payments expense associated with the Company's share-based compensation plan granted to key management personnel.

10. Loss per share

Basic per share amounts are calculated using the weighted average number of shares outstanding during the three months ended March 31, 2016 of 41,249,339, respectively (2015 – 41,249,339). In computing diluted per share amounts, none of the Company's options were included as they are anti-dilutive.

11. Commitments

(a) Pursuant to both option agreements and assessment work commitments, the Company is required to incur the following annual expenditures to ensure the claims remain in good standing. These agreements require the Company make exploration expenditures, commencing at various anniversary dates of the mining claims, to be made if the claims have not been converted to a mineral lease or put into production. The Ontario Ministry of Northern Development and Mines allows holders of mining claims to bank historical expenditures made by the mining claim holders and apply these against the expenditure requirements mining claim, or contiguous mining claims, in future periods. Should the minimum expenditure requirements not be satisfied and there are no available banked expenditure credit, the holder of a mining claim may apply for a one year extension to meet the applicable expenditure requirements. The Company has the following minimum requirements with respect to its exploration properties:

11. Commitments *(continued)*

	Eagle Rock	Plomp Farm	Other Properties
	$	$	$
2016	241,600	10,400	29,000
2017	255,249	27,887	29,000
2018	262,000	27,887	29,000
2019	262,000	27,887	29,000
2020	262,000	28,687	29,000

(b) The Company has $226,000, $521,000 and $130,000 of banked expenditure credits which can be used to offset future expenditure requirements against the Eagle Rock property, Plomp Farm property and other properties, respectively.

Management extend certain claims throughout their properties using banked expenditure credits and therefore at April 30, 2016 the bank expenditure credits outstanding are as follows, 122,000, 399,000, and 107,000 which can be used to offset future expenditure requirements against the Eagle Rock property, Plomp Farm property and other properties, respectively.

12. Financial instruments and financial risk management

The Company's financial instruments include cash and cash equivalents, accounts receivable, available-for-sale investments and accounts payable and accrued liabilities and due to related parties. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity, with the exception of the investment which is recorded at fair value at each period end date. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the annual financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) 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. The Company's accounts receivable relates to Goods and Services Tax input tax credits. Accordingly, the Company views credit risk on accounts receivable as minimal. The maximum exposure is the carrying value of cash and accounts receivable.

The Company held cash and cash equivalents of $4,304 at March 31, 2016, which represents its maximum exposure on these assets and is held with credit worthy financial institutions.

12. Financial instruments and financial risk management *(continued)*

b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are 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 Company's ability to continue as a going concern is dependent on its ability to obtain additional financing to meet commitments and discharge its working capital deficiency. The requirements to raise funds for general operating activities and current commitments will necessitate raising capital or disposing of assets (note 2).

As at March 31, 2016, the Company's financial liabilities were comprised of accounts payable and accrued liabilities which have a maturity of less than one year and amounts due to related parties, with no terms of repayment (note 9). The liquidity of the Company is subject to the forbearance of the related parties to which the accounts are due.

c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company is exposed to market risks based on fair value for investments classified as available for sale that are traded in active markets.

i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the development stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. The Company has amounts due to related parties denominated in US dollars and as such are exposed to foreign currency exchange risk related to those transactions.

ii) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Fair values

In accordance with the fair value hierarchy, the Company has classified its available-for-sale investments as level 1. The carrying amount of the investments at March 31, 2016 was $12,280. The Company recognized a gain of $6,798 and a gain of $Nil for the three months ended March 31, 2016 and 2015, respectively. The gain was recognized in profit and (loss).

13. Supplemented cash flow information

Changes in non-cash working capital is comprised of:

		2016		2015
Source (uses) of cash:				
Accounts receivable	$	(445)	$	(891)
Accounts payable and accrued liabilities		(32,780)		(43,703)
Related party payables		96,753		161,646
	$	63,528	$	117,052
Related to operating activities	$	63,528	$	117,152
Related to investing activities		-		(100)
	$	63,528	$	117,052

14. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold excess cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the three months ended March 31, 2016.