

MPH VENTURES CORP.

**FILING STATEMENT
IN RESPECT OF
THE CHANGE OF BUSINESS BY MPH VENTURES CORP.**

March 11, 2016

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Change of Business described in this Filing Statement.

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This Filing Statement contains forward-looking statements concerning the business, operations and financial performance and condition of MPH Ventures Corp. When used in this Filing Statement, the words “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that may cause such differences include but are not limited to economic, business, competitive and regulatory factors including those discussed under the section of this Filing Statement entitled “Risk Factors”.

INFORMATION CONTAINED IN THIS FILING STATEMENT

The information contained in this Filing Statement is given as at March 11, 2016, except where otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Change of Business and other matters described herein other than those contained in this Filing Statement and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Filing Statement should not be construed as legal, tax or financial advice and Company Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Filing Statement of the terms of the Change of Business are merely summaries. Company Shareholders should refer to the full text of the Share Exchange Agreement and the Business Plan for complete details of those documents, the full text of each of which has been filed under the MPH Ventures Corp. profile on SEDAR at www.sedar.com.

GLOSSARY OF TERMS

In this Filing Statement, unless otherwise defined or expressly stated herein or something in the subject matter or the context is clearly inconsistent therewith:

"Acquisition" means the proposed acquisition by the Company of 80% of the issued and outstanding shares of Travelucion from the Travelucion Shareholder and all matters relating thereto, as described in this Filing Statement as contemplated in the Share Exchange Agreement.

"Affiliate" means a company that is affiliated with another company as described below:

A company is an "Affiliate" of another company if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person; or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"Arms Length Transaction" means a transaction that is not a Related Party Transaction.

"Associate" when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person or company serves as trustee or in a similar capacity;
- (d) in the case of a Person, a relative of that Person, including:
 - (i) that Person's spouse or child; or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person; but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination

shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"Audit Committee" means the audit committee of the Board.

"Auditors" means Davidson & Company LLP, Chartered Accountants, of Vancouver, B.C., Canada.

"BCBCA" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder.

"Board" means the board of directors of the Company.

"CBCA " means the *Canada Business Corporations Act* as amended from time to time.

"CEO" means the Chief Executive Officer of the Company. **"CFO"** means the Chief Financial Officer of the Company.

"Change of Business" or **"COB"** means a transaction or series of transactions which will redirect an issuer's resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer's market value, assets or operations, or which becomes the principal enterprise of the issuer.

"Closing" means the completion of the Acquisition and the Financing.

"Common Shares" means the common shares in the capital of the Company.

"company" unless specially indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Company" or **"MPH"** means MPH Ventures Corp., a company formed under the BCBCA.

"Completion Date" means the date the Final Exchange Bulletin is issued by the Exchange.

"Control Person" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"Currency" means unless otherwise specified in this Filing Statement, all references to "dollars" or "\$" or "CDN" refers to Canadian dollars which is the currency used for purposes of this Filing Statement.

Escrow Agent means Computershare Investor Services Inc., the registrar and transfer agent of the Company.

"Escrow Agreement" means the escrow agreement dated February 23, 2016, among the Company, the Escrow Agent and the Travelucion Shareholder.

"Escrow Policy" means Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions of the Corporate Finance Manual of the Exchange.

"Exchange" means TSX Venture Exchange Inc.

"Filing Statement" means this filing statement.

"Final Exchange Bulletin" means the bulletin issued by the Exchange following completion of the Acquisition and the submission of all required documentation and that evidences the final Exchange acceptance of the Acquisition.

"Insider" when used in relation to the Company, means:

- (a) a director or senior officer of the Company;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the Company;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company; or
- (d) Or the Company itself if it holds any of its own securities.

"Letter Agreement" means the letter agreement (Letter of Intent) between the Company and Travelucion dated May 22, 2015 in respect of the Acquisition.

"MD&A" means Management Discussion and Analysis, as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations.

"Non Arm's Length Party" means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"Person" means a company or individual.

"Principals" means James J. Pettit, Donald C. Huston, Donald Myers, Amanda Chow and Lori L. Pavle.

"Private Placement" means a total of \$608,200 made up of a total of 12,164,000 Units at a price of \$0.05 per Unit.

"Related Party Transaction" has the meaning ascribed to that term in Exchange Policy 5.9. and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arms-Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"Resulting Issuer" means the Company following completion of the Acquisition and the Financing, as the context requires, under its planned new name **Cuban Ventures Corp.**

"SEDAR" means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators (CSA) in the SEDAR filing system at the website address of www.sedar.com.

"Share Exchange Agreement" means the arm's length share exchange agreement dated July 2, 2015 between the Company and the Travelucion Shareholder pursuant to which the Company will acquire all of the securities of Travelucion in exchange for common shares of the Company.

"Stephen Marshall" or **"Steve Marshall"** also means the "Travelucion Shareholder".

"Stock Option Plan" means the stock option plan of the Company.

"Transaction" means the Acquisition and the Private Placement.

"Transfer Agent" means Computershare Investor Services Inc.

"Travelucion" means Travelucion SL.

Travelucion Shares” means the issued and outstanding shares of Travelucion.

“Travelucion Shareholder” means the holder of the Travelucion Shares to be sold pursuant to the terms of the Share Exchange Agreement.

SUMMARY

The following is a summary of information relating to the Company and the Resulting Issuer (assuming completion of the Acquisition) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Background to the Proposed COB

Throughout 2014 and the first part of 2015, given the difficulties in the resource industry in general, the Company actively explored different corporate opportunities to maximize shareholder value. After a thorough evaluation of the current market conditions for junior mining issuers, the Company's existing resources and a review of strategic options for the Company, the Board determined that to optimize shareholder value, it would refocus its business operations from a "mining issuer" to a "technology issuer". The Board believes that its network of business contacts, the depth of experience of its Board and management team in the technology industry, and its overall entrepreneurial approach will enable it to capitalize upon its new proposed business plan. On February 2, 2016, the Company announced that it will be pursuing a change in business.

The Company also announced that it would complete the Private Placement to generate additional resources for the proposed business plan.

The Parties

MPH Ventures Corp. was formed under the BCBCA on May 30, 1980 and its Common Shares are listed for trading on the Exchange under the symbol ("MPS-V"). The Company is currently a Tier 2 resource issuer.

The head office of the Company is located at 1610-777 Dunsmuir Street, Vancouver, B.C., V7Y 1K4. The registered and records office is located at 1710 – 1177 West Hastings Street, Vancouver, BC, V6E 2J3.

Travelucion SL is a privately owned limited liability company formed under the laws of the Canary Islands, Spain. The head office and its principal place of business is located at Local 1B, CC Villa Blanca, Avda, Austria 36, Adeje, 38660, Tenerife, Spain.

The Acquisition

Pursuant to a Share Exchange Agreement dated July 2, 2015, the Company will acquire from the Travelucion Shareholder in a two stage transaction a 100% interest in Travelucion in exchange for an aggregate of 20,000,000 shares. On November 18, 2015 the Company completed the first stage of the Transaction and issued 4,000,000 shares and paid \$100,000 to acquire a 20% share interest in Travelucion. On February 2, 2016 the Company gave notice of its intention to acquire the remaining 80% of the shares of Travelucion for which it is required to issue an additional 16,000,000 shares.

Upon completion of the Acquisition, Travelucion will be a wholly owned subsidiary of the Resulting Issuer. The Acquisition is subject to certain conditions, including the completion of the Private Placement and MPH Ventures obtaining all necessary regulatory approvals. See *"Information Concerning MPH Ventures – the Share Purchase Agreement"* for additional information.

The following summary is subject to the detailed provisions of the Share Exchange Agreement and is qualified in its entirety by reference to the Share Exchange Agreement which is available under the Company's profile on SEDAR at www.sedar.com.

The Share Exchange Agreement

By agreement dated July 2, 2015, the Company acquired from the Travelucion Shareholder 20% of the Travelucion Shareholder's 100% interest in Travelucion S.L., an online travel digital media company specializing in Cuba tourism. The Travelucion Shareholder received 4,000,000 common shares of the Company and \$100,000 CDN cash. TSX Venture Exchange acceptance to the Share Exchange Agreement was received on November 18, 2015, under submission no. 207643.

Concurrent with TSX acceptance, the Travelucion Shareholder granted the Company an option to purchase the remaining 80% of the Travelucion Shareholder's interest in Travelucion in exchange for 16,000,000 "Surplus" escrow shares.

On February 2, 2016 the Company provided its Notice of Exercise to the Travelucion Shareholder to acquire the remaining 80% of the shares of Travelucion. Closing of the Acquisition is subject to a number of conditions including the prior approval of the TSX Venture Exchange pursuant to Policy 5.2 "Changes of Business and Reverse Takeovers" and Policy 5.3 "Acquisition and Disposition of Non-Cash Assets" and shareholder approval.

Upon completion of the Acquisition, Travelucion will be a wholly owned subsidiary of the Resulting Issuer.

The Private Placement

The Company has completed a non-brokered Private Placement of 12,164,000 Units at a purchase price of \$0.05 per Unit. Each Unit consists of one Common share in capital stock of the Company and one-half of one Warrant. Each whole Warrant will allow the holder thereof to purchase one additional Common Share at a price of \$0.075 for a period of two years. Finder's fees of \$26,299 in cash and 525,980 Warrants were paid in connection with this financing. The Finder Warrants are subject to the same terms and conditions as the private placement Unit Warrants.

Directors and Officers

Following the completion of the Acquisition, the current directors of the Company will remain as directors of the Resulting Issuer.

Interest of Insiders, Promoters or Control Persons

As of the date of this Filing Statement, Insiders of the Company currently hold 8,820,600 of the Company's shares which represents 26.47% of the issued and outstanding Common Shares of the Company before completion of the Acquisition.

Arm's Length Transaction

The Company and Travelucion have determined that the Acquisition is an Arm's Length Transaction.

Available Funds

On March 11, 2016 the Company completed a Private Placement raising \$608,200 (less \$26,299 for finder's fees and other expenses related to the Private Placement), the Company will have \$581,901 available upon completion of the Acquisition. The principal purpose of such funds, after giving effect to the Acquisition will be for, among other things, general working capital and business expansion capital.

Selected Pro Forma Consolidated Financial Information

Schedule "D" attached, sets out certain financial information for the Company and Travelucion and pro forma financial information for the Company after giving effect to the Acquisition and the Private Placement and certain other adjustments.

The pro Forma Consolidated Financial Information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement, being the audited financial statements of the Company for May 31, 2014 and May 31, 2015, which are attached as Schedule "A" hereto, the interim financial statements of the Company for the six month period ended November 30, 2015 and corresponding MD&A, attached as Schedules "A" and "B" respectively; the audited financial statements of Travelucion for the year ended December 31, 2014, which is attached hereto as Schedule "C", the unaudited financial statements of Travelucion for the year ended December 31, 2013 and the nine month period ending September 30, 2015, which are attached hereto as Schedule "D".

Market for Securities and Name Change

The Company's Common Shares are listed on the Exchange with the trading symbol "MPS.V". The price of the Company's shares on the last day the Company's Common Shares traded prior to the announcement of the Acquisition, being February 1, 2016 was \$0.065. Trading in the Company's shares was halted in accordance with the Exchange's Change of Business Policy on February 2, 2016. In conjunction with the completion of the Acquisition, the Company intends to change its name from MPH Ventures Corp. to **Cuba Ventures Corp.** Reinstatement of trading is expected to occur once the Company completes the Acquisition. Upon completion of the Acquisition the Common Shares will continue be listed on the Exchange under the name Cuban Ventures Corp. under the trading symbol "**CUV**".

There is no public market for the Travelucion Shares.

Sponsorship

Pursuant to the Sponsorship Policy of the Exchange, sponsorship may be required in conjunction with an Acquisition. The Company has made application to the Exchange and received an exemption from the sponsorship requirement on the basis that:

- (a) it is not a foreign issuer;

- (b) the Board of Directors and management of the Company meet a high standard and collectively possess appropriate experience, qualifications and history, having positive records with junior companies and appropriate technical and other expertise involving public companies in Canada; and
- (c) the Company will satisfy Exchange's Minimum Listing Requirements for a tier 2 issuer.

Conflicts of Interest

For information concerning the director and officer positions held by the proposed directors and officers of the Resulting Issuer see *"Information Concerning the Resulting Issuer – Conflicts of Interest"*.

Interests of Experts

To the best of the Company's and Travelucion's knowledge, no direct or indirect interest in the Company or Travelucion is held or will be received by any experts responsible for opinions or reports referred to in this Filing Statement. No expert is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer.

Risk Factors

The Resulting Issuer's securities should be considered highly speculative due to the nature of the Resulting Issuer's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this Filing Statement (including all Schedules hereto) before making an investment decision. An investment in securities of the Resulting Issuer should only be made by persons who can afford a significant or total loss of their investment.

Completion of the Acquisition

There are risks associated with the Acquisition including (i) market reaction to the Acquisition and the future trading prices of the MPH Shares cannot be predicted; (ii) uncertainty as to whether the Acquisition will have a positive impact on the entities involved in the transactions; and (iii) there is no assurance that required approvals will be received.

The completion of the Acquisition is subject to several conditions under the Share Exchange Agreement. In the event that any of those conditions are not satisfied or waived, the Acquisition may not be completed.

Additional Funding Requirements

In order to achieve the Resulting Issuer's growth strategy, it will be necessary to obtain additional debt or equity financing to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed. The Resulting Issuer's inability to raise financing to support acquisitions could limit the Company's growth and could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and cash flows.

The Resulting Issuer's cash flow from its operations, if any, may not be sufficient to fund its ongoing activities at all times. From time to time, the Resulting Issuer may require additional financing in order to carry out its acquisition and development activities. Failure to obtain such financing on a timely basis could cause the Resulting Issuer to miss certain opportunities. The Resulting Issuer will require a significant amount of additional financing to execute its business plan over the medium and long-term; however, there is no assurance that adequate financing will be available on acceptable terms, if at all.

From time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These or other transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards for companies of similar size. Neither the Resulting Issuer's notice of articles nor its articles limit the amount of indebtedness that the Resulting Issuer may incur or the amount of shares that the Resulting Issuer may issue. Any equity financing undertaken may dilute the interests of the shareholders of the Resulting Issuer. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on the Resulting Issuer's financial condition, results of operations or prospects.

Competition

All aspects of the Resulting Issuer's business will be subject to competition from other parties. The Resulting Issuer, as an independent participant, may face competition from other companies and entities with much greater financial, marketing, management resources and technical facilities than itself. The Resulting Issuer may also face competition from other parties who have access to different or more efficient technology and access to different equipment manufacturers and engineering firms.

Reliance on Key Employees

The success of the Resulting Issuer will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Resulting Issuer may have an adverse effect on the future of the Resulting Issuer's business. In assessing the risk of an investment in the Resulting Issuer's common shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the existing and proposed management of the Resulting Issuer. An investment in the Resulting Issuer shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. The Resulting Issuer competes with numerous other companies for the recruitment and retention of qualified employees and contractors.

Conflicts of Interest

The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Resulting Issuer's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Resulting Issuer and a proposed director or officer of the Resulting Issuer except as otherwise disclosed herein.

Political Risks

The Resulting Issuer's business plan is based in part on the normalization of relations between the US and Cuba which, it is anticipated, will significantly expand the Company's market but that the normalization process is beyond the control of the Company.

Unforeseen Expenses

While the Resulting Issuer is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Resulting Issuer may be adversely affected.

Reallocation of Net Proceeds

The Resulting Issuer currently intends to allocate the net proceeds received from the Private Placement as described under "Use of Proceeds" in this Filing Statement. However, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it believes it would be in the best interests of the Resulting Issuer to do so as circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Resulting Issuer.

INFORMATION CONCERNING MPH VENTURES CORP.

CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated under the then *Company Act* (British Columbia) on May 30, 1980 under the name Grand Prize Resources Inc. The Company filed a Transition Application containing a Notice of Articles, as required by the *Business Corporations Act* (British Columbia) in September, 2004 and effective December 19, 2005 changed its name from ITL Capital Corporation to MPH Ventures Corp. The head office of the Company is located at Suite 1610 – 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K4 and the registered and records office is located at Suite 1710, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

General Development of the Company

Pidgeon Molybdenum Mines Limited, the wholly owned subsidiary of the Company, holds a 100% interest in a contiguous group of 13 mineral claims under a mining lease and 3 additional patented claims attached to the lease. The Company also owns 100% of four mineral claims, acquired by staking, and a 100% interest in 10 additional claims, acquired pursuant to an option agreement (the "Moly Group"). Both groupings surround the mining lease and collectively these land positions make up the Moly Group.

From the period from late 2007 to early 2008, the Company completed two drill programs totaling approximately 100 drill holes on the property.

On September 13, 2012 the Company filed an independent technical report, entitled "Pidgeon Molybdenum Project National Instrument 43-101 Compliant Technical Report" dated July 05, 2012 which was prepared for the Company by Cliff Duke, P.Eng. of Riverbend Geological Services Inc. of Beausejour, Manitoba. The technical report is available on SEDAR at www.sedar.com.

There has been no further development of the property as at the date of the Filing Statement. The Company's current plans are to hold the project in good standing until such a time as market conditions and base metal commodity prices improve.

In May 2009, the Company acquired a 100% interest in six mineral claims consisting of 14 claims located in the Raney Township, in the Porcupine Mining Division of Ontario.

On November 27, 2012 the Company filed a National Instrument 43-101 ("NI-43-101") Technical Report on the Raney Township Gold Property prepared for the Company by Karen Kettles, M.Sc., P.Geo. of Sudbury, Ontario. The technical report is available on SEDAR at www.sedar.com.

The Company completed four separate phases of drilling on the Raney Project totaling 2,151 metres of drilling in fourteen holes. There has been no further development of the property as at the date of the Filing Statement.

In 2013 the Company acquired a 100% interest in the North Albany Graphite Property consisting of 16 mineral claim units covering approximately 256 hectares located within the Porcupine Mining Division of northern Ontario, contiguous to the north of Zenyatta Ventures Ltd.'s (TSX-V: ZEN) Albany (vein type) graphite deposit discovery. In consideration for the North Albany Graphite Property, the Company paid \$15,000 and issued 300,000 common shares (valued at \$75,000) in the capital of the Company.

Due to delay in the development of the property, the Company wrote-off the carrying value of \$91,356 during the year ended May 31, 2015.

On June 4, 2014 the Company completed a consolidation of its common shares on the basis of one new common share for every ten common shares outstanding in an effort to provide more flexibility to complete future financings.

On July 31, 2014 the Company completed a non-brokered private placement of 5,985,000 units at a price of \$0.05 per Unit for gross proceeds of \$299,250. The proceeds were utilized for new property investigation and for general working capital.

In or about January 2015, given the depressed market conditions for junior exploration companies which made it virtually impossible to raise capital for mineral projects, the precipitous drop in the price of gold which had a negative impact on junior exploration companies with gold projects and the general inability of local investment dealers to attract retail investors to invest in mineral exploration companies, the directors determined that the Company should focus on identifying and evaluating opportunities in the technology sector with existing positive cash flow.

On February 18, 2015 the Company appointed Mr. Gavin McMillan to a newly formed Advisory Board to the Company to assist in the investigation of future non-resource related projects.

In May, 2015, the Company initiated discussions with the Travelucion Shareholder with respect to a potential acquisition which resulted in the signing of an arm's length Letter of Intent whereby the Company and the Travelucion Shareholder agreed that the Company would purchase in a two stage transaction 100% of the issued and outstanding shares of Travelucion for 20,000,000 Common Shares of the Company at a deemed value of \$0.05/share and \$100,000 cash. The Letter of Intent was non-binding and contained a number of conditions including the finalization of a definitive Share Exchange Agreement which would contain warranties and representations normally found in such agreements, approval of all third party consents including the Exchange, satisfactory completion of due diligence by the Company as to the business, assets, financial condition and corporate financial records of Travelucion, the inspection and independent appraisal of the capital assets, inventory and any equipment currently under the control of Travelucion, and completion of an equity financing of \$500,000 to fund, in part, the purchase price.

During the months of May through July of 2015, the Company conducted its preliminary due diligence review of the business and affairs of Travelucion, discussed potential financing options with agents and potential investors, and completed independent audits of Travelucion, which led to the execution of the definitive Share Exchange Agreement on July 2, 2015 pursuant to which the Company acquired a 20% interest in Travelucion S.L. in exchange for 4,000,000 shares of the Company and CAD \$100,000 in cash with an option, concurrent with receipt of Exchange acceptance, to acquire the remaining 80% interest by the issuance of a further 16,000,000 shares.

On October 5, 2015, the Company closed the first tranche of its non-brokered private placement and raised \$402,800 by the issuance of 8,056,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.075 per share for a period of five years. Aggregate finder's fees of \$15,891 cash and 226,100 agent warrants were paid in connection with this offering and are subject to the same terms and conditions as the subscriber warrants.

On October 20, 2015 the Company closed the second and final tranche of its non-brokered private placement and raised a further \$359,500 by the issuance of 7,190,000 units at a price of \$0.05 per unit for a total raised of \$762,300. Each unit consisted of one common share and one non-transferrable share purchase warrant entitling holder to purchase one additional common share at a price of \$0.075 per share for a period of five years. No finder's fees were paid in connection with the second tranche closing.

After completion of its due diligence review of Travelucion, on February 2, 2016 the Company provided its notice of exercise to the Travelucion Shareholder to acquire the remaining 80% interest in Travelucion.

The Common Shares were halted from trading on February 2, 2016 pending Closing of the Acquisition.

The Share Exchange Agreement

On July 2, 2015 the Company entered into a definitive Share Exchange Agreement pursuant to which the Travelucion Shareholder agreed to grant an option to the Company to purchase 3,050 shares (100%) of Travelucion in a two stage transaction as follows:

Stage 1 ("Stage 1"): The Company acquire from the Travelucion Shareholder 610 shares (20%) of the Travelucion Shareholder's shares in Travelucion in consideration of the issuance to the Travelucion Shareholder of 4,000,000 Common Shares of the Company at a deemed price of \$0.05/share which shares will be held in escrow in accordance with Exchange Policy 5.4 and released pursuant to the terms and conditions of a Surplus Escrow Agreement dated February 23, 2016 and \$100,000 CDN cash; and

Stage 2 ("Stage 2"): Concurrent with the closing of Stage 1, the Travelucion Shareholder granted to the Company a further option, to acquire the remaining 2,440 shares (80%) of the outstanding shares of Travelucion (for a total of 3,050 shares (100%) interest in Travelucion). Consideration for the 16,000,000 Stage 2 shares is the issuance of 16,000,000 shares which will be held in escrow in accordance with Exchange Policy 5.4 and released pursuant to the terms and conditions of a Surplus Escrow Agreement dated February 23, 2016.

Upon completion of the Acquisition, Travelucion will be a wholly owned subsidiary of the Resulting Issuer.

The Acquisition is subject to certain conditions, including the Company obtaining all necessary regulatory approvals and shareholder approvals.

Selected Consolidated Financial Information and Management's Discussion and Analysis

As of November 30, 2015, the Company had receivables and cash balances of approximately \$341,022 the Company estimates that its additional cash expenditures in pursuing the Acquisition, including legal fees, filing fees and audit fees will be approximately \$100,000.

Management's Discussion and Analysis

The Company's MD&A for the six month period ended November 30, 2015 is incorporated by reference and attached to this Filing Statement as Schedule "B", and should be read in conjunction with the Company's interim and reviewed financial statements and notes thereto also incorporated by reference and attached to this Filing Statement as Schedule "B".

A pro forma balance sheet for the Resulting Issuer giving effect to the Acquisition as at November 30, 2015 is incorporated by reference and is attached to this Filing Statement.

Description of Securities

The Company is authorized to issue an unlimited number of Common Shares. As at the date hereof, 45,477,487 Common Shares are issued and outstanding as fully paid and non-assessable shares, 3,331,348 Common Shares are reserved for issuance pursuant to the Stock Option Plan and 21,638,050 Common Shares are reserved for issuance pursuant to the exercise of outstanding share purchase warrants.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per share at meetings of the shareholders of the Company and, upon dissolution, to share equally in such assets of the Company as are distributable to the holders of Common Shares. The Company's common shares carry no preemptive rights, conversion or exchange rights, or redemption, or retraction, repurchase,

sinking fund or purchase fund provisions. There are no provisions requiring any holder of Company shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of the Company shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent.

Stock Options

The Company has a stock option plan for the granting of stock options to directors, officers, employees and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interests of such persons to that of the Company's shareholders. The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as previous grants to individuals, overall performance of the Company, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's audit and compensation committees.

Under the Stock Option Plan, the number of the Company shares reserved for issuance to any one individual in a 12 month period may not exceed 5% of the issued and outstanding the Company shares and the number of the Company shares reserved for issuance to consultants may not exceed 2% of the issued and outstanding the Company shares. The Stock Option Plan contains no vesting requirements except as to options granted to persons engaged in Investor Relations Activities (as defined in the Stock Option Plan), but permits the Board to specify a vesting schedule in its discretion.

Options may be granted for a maximum term of five years. Options may be exercised at any time which is the greater of the term of the option and 90 days following cessation of the optionee's position with the Company, provided that, if the cessation of office, directorship, consulting arrangement or employment is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the earlier expiry date of such option. In the situation of options granted to persons engaged in Investor Relations Activities, the options granted to this individual will expire 30 days following the optionee ceasing to provide such services.

The exercise price of any options granted under the Stock Option Plan will be determined by the Board, in its discretion, but shall not be less than the closing price of the Company shares on the day preceding the date of grant, less any discount permitted by the Exchange. Options granted under the Stock Option Plan shall not be subject to any resale restrictions imposed by the Exchange unless granted at the maximum discount permitted by the Exchange.

Options are non-assignable and non-transferable (subject to options being exercisable by the optionee's heirs or administrator). The number of shares reserved for option and the exercise price payable for the Company shares subject to such option shall be adjusted appropriately in the event of any consolidation, subdivision, conversion or exchange of the Company shares. The Stock Option Plan requires annual shareholder approval.

Stock Option Plan Category	Number of Securities Issuable upon Exercise	Weighted Average Exercise Price of Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan
Equity Compensation Plans Approved by Shareholders	2,551,699		3,596,050
Equity Compensation Plans Not Approved by Shareholders	Nil	n/a	n/a
Total	2,551,699		3,596,050

(1) These figures assume completion of the Acquisition.

Prior Sales

The following table summarizes the issuances of securities of the Company for the 12 month period preceding the date hereof:

Date	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
October 5, 2015	8,056,000	\$0.05	\$402,800	Private Placement Shares
October 16, 2015	4,000,000	\$0.05	\$200,000	Property Acquisition ⁽¹⁾
October 20, 2015	7,190,000	\$0.05	\$359,500	Private Placement Shares
March 11, 2016	12,164,000	\$0.05	\$608,200	Private Placement Shares
Totals	31,410,000		\$1,570,500	

(1) Shares issued in consideration of acquisition of 20% interest in Travelucion pursuant to Stage One of the Share Exchange Agreement.

Stock Exchange Price

The following table sets out the high and low trading of the Company's shares for the periods indicated as reported by the Exchange:

Month	High \$	Low \$	Close \$	Volume
May 31, 2014	.05	.05	.05	4,200
August 31, 2014	.07	.06	.07	3,800
November 30, 2014	.06	.05	.05	33,000
February 28, 2015	.07	.05	.05	18,000
May 31, 2015	.045	.045	.045	6,000
August 31, 2015	.07	.04	.07	11,400
November 31, 2015	.105	.08	.105	2,000
December 31, 2015	.011	.07	.07	11,000
January 31, 2016	.085	.06	.085	21,200

Executive Compensation

A. General Provisions

For the purposes of this Filing Statement:

"CEO" of the Company means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Canadian Institute of Chartered Accountants Handbook;

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the board of directors of the Company (the "Board"); the President; a Vice-President in charge of a principal business unit, division or function including sales, finance or production; an officer of the Company or any of its subsidiaries who performs a policy-making function in respect of the Company, or any other individual who performed a policy-making function in respect of the Company;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan;

"NEO" or "named executive officer" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's, including any of its subsidiaries, three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"non-equity incentive plan" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"option-based award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"plan" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

B. Compensation Discussion and Analysis

Compensation Program Objectives

The Company's executive compensation policies and programs are designed to be competitive with similar junior mineral exploration companies and to recognize and reward performance consistent with the success of the Company. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee's role and philosophy is to ensure that the Company's goals and objectives, as applied to the actual compensation paid to the Company's executive officers and directors, are aligned with the Company's overall business objectives and with shareholders' interests. The Company's Compensation Committee is comprised of two directors, Donald G. Myers and Amanda B. Chow. Each member of the Compensation Committee is independent of management of the Company.

Comparator Group and Benchmarking

The Compensation Committee believes that it is appropriate to establish compensation levels based in large part on benchmarking against similar companies, both in terms of compensation practices as well as levels of compensation. In this way, the Company can gauge if its compensation is competitive in the marketplace for talent, as well as to ensure that the Company's compensation is reasonable. Accordingly, the Compensation Committee reviews compensation levels for the Named Executive Officers against compensation levels of the comparison companies.

For the year ended May 31, 2015, the proposed total direct compensation for each NEO was evaluated against the total direct compensation of similar positions held at the comparator group companies to ensure compensation was competitive. Given the tight talent supply in the mining industry, compensation recommendations are also validated against different samples taken from the comparator group, particularly the companies in the North American mining explorations category. The Compensation Committee believes that the compensation policy and its principles provide for competitive and reasonable compensation levels.

Comparator Group

The Company used the following criteria for choosing the comparator group:

- junior publicly-traded companies;
- companies that reflect the competitive marketplace for executive management talent;
- companies that are facing similar industry dynamics, *i.e.*, capital intensive and subject to commodity price cycles; and
- companies that are engaged in mining or the resources industry and are headquartered in North America.

Based on information in part obtained from documents available publicly on SEDAR, companies that the Board considers comparable include Eagle Plains Resources Ltd. (TSX-V: EPL), Riverside Resources Ltd. (TSX-V: RRI), Amador Gold Corp. (TSX-V: AGX), Abzu Gold Ltd. (TSX-V: ABS), Alliance Mining Corp. (TSX-V: ALM), Alphamin Resources Corp. (TSX-V: AFM), Canterra Minerals Corporation (TSX-V: CTM) and Nexgen Energy Ltd. (TSX-V: NXE).

Elements of the Compensation Program for the 2015 Financial Year

The total compensation plan for executive officers is comprised of two components: base salary or consulting fees and incentive stock options. There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The Compensation Committee annually reviews the total compensation of each of the Company's executive officers on an individual basis against the backdrop of the compensation goals and objectives described above, and makes recommendations to the Board concerning the individual components of each executive officer's compensation. The Company does not currently provide the executive officers with personal benefits, nor does the Company provide any additional compensation to the executive officers for serving as directors or as members of other committees.

Base Salary and Consulting Fees

As a general rule for establishing base salaries or consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level within a range. Compensation levels are typically negotiated with the candidate for the position prior to his or her selection as an executive officer or consultant. Salaries or consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as the overall corporate performance and the results of internal performance reviews.

Stock Options

The Company has a stock option plan (the "Plan") for the granting of stock options to directors, officers, employees and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interests of such persons to that of the Company's shareholders. The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as previous grants to individuals, overall performance of the Company, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's audit and compensation committees.

Stock Option Plan Category	Number of Securities Issuable upon Exercise	Weighted Average Exercise Price of Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan P
Equity Compensation Plans Approved by Shareholders	2,551,699		3,596,050
Equity Compensation Plans Not Approved by Shareholders	Nil	n/a	n/a
Total	2,551,699		3,596,050

Consulting Contracts

James G. Pettit

Pursuant to a written agreement between the Company and James G. Pettit dated February 1, 2008, as amended, Mr. Pettit, the President, CEO and a director of the Company, was paid consulting fee in the amount of \$1,000 per month plus GST. During the year ended May 31, 2015, Mr. Pettit received the sum of \$12,000 plus GST in connection with consulting services provided to the Company under the terms of the abovementioned agreement. See "Summary Compensation Table".

Donald C. Huston

Pursuant to a written agreement between the Company and Donald C. Huston dated February 1, 2008, as amended, Mr. Huston, the acting CFO and a director of the Company, was paid consulting fees in the amount of \$1,000 per month plus GST. During the year ended May 31, 2015, Mr. Huston received the sum of \$12,000 plus GST in connection with consulting services provided to the Company under the terms of the abovementioned agreement. See "Summary Compensation Table".

Risk Considerations

The Board reviews from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion and Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executive, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion (set at a level consistent with its industry peers) of the Company's executive compensation will consist of options granted under the Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

The other element of compensation, salary, represents the remaining portion of an executive's total compensation. While salary is not "long term" or "at risk", as noted above, these components of compensation represent a relatively small part of total compensation and, as a result, the Company believes it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any may be identified and mitigated through regular Board meetings during which,

financial and other information of the Company are reviewed, and which review includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There are no restrictions on NEOs or directors regarding the purchase of financial instruments including for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director. To the knowledge of the Company, for the financial year ended May 31, 2015, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

C. Summary Compensation Tables

During the financial year ended May 31, 2015, the Company had two NEOs, being James G. Pettit, the President, CEO and a director, and Donald C. Huston, the acting CFO and a director.

The compensation paid to the NEOs during the Company's most recently completed financial years ended May 31, 2015, 2014 and 2013 is as follows:

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share based awards (\$) (d)	Option-based awards (\$) (e) ⁽¹⁾⁽²⁾	Non-equity incentive plan compensation \$ (f)		Pension value (\$) (g)	All other compensation (\$) (h) ⁽³⁾	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
James G. Pettit President, CEO	2015	Nil	Nil	\$11,498 ⁽⁴⁾	Nil	Nil	Nil	\$12,000 ⁽³⁾	\$23,498
	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000
	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000
Donald C. Huston Acting CFO	2015	Nil	Nil	\$10,998 ⁽⁵⁾	Nil	Nil	Nil	\$12,000	\$22,998
	2014	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000
	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$12,000	\$12,000

Notes:

- (1) No stock incentive options were granted or exercised during the Company's financial years ended in 2013 or 2014;
(2) The figures thus shown for May 31, 2015 are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model.
(3) Reference is made to the sub-heading above "Consulting Contracts" for further information;
(4) During the year ended May 31, 2015 Mr. Pettit was granted options to purchase up to 230,000 shares of the Company at an exercise price of \$0.05 per share, expiring October 27, 2019;
(5) During the year ended May 31, 2015 Mr. Huston was granted options to purchase up to 220,000 shares of the Company at an exercise price of \$0.05 per share, expiring October 27, 2019;

D. Incentive Plan Awards

The Company has in place the Plan for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through options granted under the Plan to purchase shares of the Company.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial year ended May 31, 2015:

Share Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the Company's financial year ended May 31, 2015:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James G. Pettit (CEO, President and Director)	\$11,498	N/A	N/A
Donald C. Huston (acting CFO and Director)	\$10,998	N/A	N/A

E. Pension Plan Benefits

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Company also does not have any deferred compensation plans relating to any NEO.

F. Termination and Change of Control Benefits

There are no contracts, agreements, plans or arrangements between the Company and an NEO that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive) with respect to the resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

G. Director Compensation

The Board established and adopted compensation guidelines for its independent directors, which are reviewed by the Company on an annual basis. The guidelines provide for the payment of consulting fees to independent directors. The consulting fees are paid to independent directors for attendance at various directors and/or committee meetings, the consideration of consent resolutions of the directors or audit committee, and the review of related documentation. The aggregate consulting fees payable during any one month will not exceed \$500 per independent director. The Company may also pay a fee for any additional consulting services rendered by directors at the regular rates for services. In such instances, Board approval will be obtained. All directors are reimbursed by the Company for travel and other out-of-pocket expenses incurred in attending meetings. The directors of the Company participate in the insurance and indemnification arrangements of the Company.

During the Company's financial year ended May 31, 2015, directors' consulting fees in the aggregate amount of \$6,000 were paid to Amanda B. Chow. Donald G. Myers received an aggregate amount of \$17,959 pursuant to an agreement with 98 Corporate Group Resources Ltd. ("98 Corporate Group").

The Company has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options.

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial year ended May 31, 2015:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation\$		Pension value (\$)	All other compensation (\$) ⁽²⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Donald G. Myers (Director)	May 31, 2015	Nil	Nil	\$10,998 ⁽¹⁾⁽³⁾	Nil	Nil	Nil	\$17,416	\$28,414
Amanda B. Chow (Director)	May 31, 2015	Nil	Nil	\$4,999 ⁽¹⁾⁽⁴⁾	Nil	Nil	Nil	\$6,000	\$10,999

- (1) The figures thus shown for March 31, 2015 are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model.
(2) These fees were paid by 98 Corporate, refer to sections "Statement of Executive Compensation and "Management Contracts" herein for details.
(3) Reference is made to the sub-heading above "Consulting Contracts" for further information;
(4) During the year ended May 31, 2015 Mr. Myers was granted options to purchase up to 220,000 shares of the Company at an exercise price of \$0.05 per share, expiring October 27, 2019;
(5) During the year ended May 31, 2015 Ms. Chow was granted options to purchase up to 100,000 shares of the Company at an exercise price of \$0.05 per share, expiring October 27, 2019.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table discloses the particulars of share-based and option-based awards for each NEO outstanding at the end of the Company's financial year ended **May 31, 2015**:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
James G. Pettit	230,000	\$0.05	Oct 27/19	n/a	n/a	n/a
Donald C. Huston	220,000	\$0.05	Oct 27/19	n/a	n/a	n/a

- (1) "In the money options" means the excess of the market value of the Company's shares on May 31, 2015 and the exercise price of the options. The last trading price of the Company's shares at its fiscal year ended May 31, 2015 was \$0.05.

Arm's Length Transaction

The Company has not been party to any related party transactions other than as disclosed in the audited financial statements for the year ended May 31, 2015, which is included as Schedule A. The Acquisition if completed, is considered to be an Arm's Length Transaction

Legal Proceedings

The Company is not involved in any legal proceedings and no such proceedings are known to the Company to be contemplated.

Auditor, Transfer Agent and Registrar

The auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants, of 1200-609 Granville Street, Vancouver, British Columbia, V6C 2G8. The registrar and transfer agent of the Company Shares is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V7Y 1G6.

Material Contracts

The following are the material contracts of the Company that are outstanding as of the date of this Filing Statement:

- (a) Surplus Escrow Agreement dated February 23, 2016 between the Company, the Travelucion Shareholder, and the Escrow Agent; and
- (c) Share Exchange Agreement between the Company, Travelucion and the Travelucion Shareholder;
and
- (d) Letter of Intent between the Company, Travelucion and the Travelucion Shareholder;
- (e) ValueEscrow Agreement dated March 15, 2016 between the Company and James Pettit as Principal, and the Escrow Agent.

All of the contracts specified above are filed on SEDAR at www.sedar.com and may be inspected without charge at the offices of the Company's registered and records office at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia during normal business hours until the Closing Date and for a period of 30 days thereafter.

INFORMATION CONCERNING TRAVELUCION SL

CORPORATE STRUCTURE

Name and Incorporation

Travelucion S.L. is a limited liability company formed in the Spanish Province of Santa Cruz de Tenerife Canary Islands, on December 27, 2011. The head office and its principal place of business is located at Villa Blanca 6, Aveda Austria 36, Adeje, 38660, Tenerife, Spain. The registered office of the Travelucion is Office 3, Local 1-B, Centro Commercial Villa Blanca, Avenida de Austria, 36th, San Eugenio Alto, C.P., 38660, municipality of Adeje, Province of Santa Cruz de Tenerife, and has Spanish nationality.

The authorized share capital is unlimited and consists of 3,050 common shares, 2,440 shares of which are beneficially owned by the Travelucion Shareholder and 610 shares are beneficially owned by the Company. On closing of the Acquisition, the Company will own 3,050 common shares which will represent a 100% interest.

Intercorporate Relationships

Travelucion has no subsidiaries.

Narrative Description of the Business

General

Principal Products or Services

Travelucion S.L. is a limited liability corporation domiciled in the Canary Islands, Spain. It is an online travel and digital media company servicing international visitors to Cuba. Travelucion provides travel and tour marketing as well as sales directly between travelers and travel suppliers including Cuban state-run travel agencies as well as a few non-government agencies. The company markets Cuba tourism through multilingual content-based and e-commerce websites (432) covering all facets of Cuba (i.e. Cuban culture, Cuban cities and locations, Cuban history, Cuban sports, etc.). Travelucion generates revenue through two primary sources: direct on-line sales through the e-commerce sites owned and operated by the company, and online referral through its other general info websites which drive traffic to the e-commerce sites in which bookings are made. Almost all of Travelucion's revenue is generated from bookings for hotels, car rentals, tours, and private residences all on the island of Cuba.

Travelers from Europe (Spain, Germany, UK, France) and Central/South America (Brazil, Venezuela) represent the majority of bookings for Travelucion currently. The target market going forward for Travelucion includes the European and Central/South American markets as well as North America.

Sales to customers, other than investees, outside the consolidated entity are as follows: 75% of the total consolidated revenues generated the last two financial years for the company are from car rentals; 20% of the total consolidated revenues generated the last two financial years for the company are from hotel room bookings; 3% of the total consolidated revenues generated the last two financial years for the company are from tours.

Operations

Travelucion, as an online travel agency, generates revenue through direct on-line bookings through its e-commerce sites owned and operated by the company. Almost all of Travelucion's revenue is generated from bookings for hotels, car rentals, tours, and private residences all on the island of Cuba but there are other types of bookings available as well. Travelucion provides and coordinates Cuban travel bookings through three locally operated suppliers including Havanatur, CubaTUR and Gaviota Tour. Travelucion's proprietary online booking systems have been developed to poll prices from each agency to determine the lowest price and best travel options for customers.

In addition to hotel and car rental bookings, Travelucion offers a wide array of products including historic car rentals, private residences / B and B bookings, specialty tours pre-qualifying Americans to travel to Cuba, ecotourism, and health tourism to name a few. Travelucion currently maintains and is growing its 150 private home (Casa Particulars) rental listings database. The company also recently signed an exclusive digital marketing contract to online market Cuban medical treatments across its 432 Cuban related websites. As per the contract, Travelucion will be paid a 10% commission on all medical procedures and treatments booked through its websites. This includes 252 medical procedures and treatments which will be offered through the websites, all of which are ISO 9001 compliant. They range from minor treatments and procedures to cosmetic and plastic surgery to major surgeries and cancer treatments.

Travelucion is a certified European Travel Supplier holding €1,000,000 (one million Euro) travel indemnity insurance through France's AXA Insurance and unlimited civil liability coverage for its customers. Travelucion holds certified online billing accounts with Spain's second largest financial institution, Caixa Bank S.A.

Travelucion coordinates bookings with customers and travel suppliers in Cuba. The hotel rooms, car rentals and tours it provides bookings on are owned and operated predominantly by the Cuban government or by other groups/individuals like the private residences.

Travelucion's asset base is online with 432 websites including the e-commerce booking platforms as well as a social media platform. Travelucion has four proprietary web servers located in Germany. In addition, the company has localised web content delivery through caching servers providing low-latency content in 19 countries. All software, data, content and design are owned by Travelucion.

Stephen Marshall, who runs Travelucion, lived in Cuba for over 11 years and became a special advisor to numerous Cuban corporations providing support and investment in a range of commercial sectors. He is knowledgeable concerning the idiosyncrasies of dealing with the Cuban Government and Cuba's foreign investment laws and has long standing relationships with government officials and employees as well as his suppliers.

Travelucion has outsourced some of its ongoing development and IT related activities, but there are no third-party software products or systems used anywhere within the current network of 432 web assets/properties, and as such no third-party royalty payments. All of Travelucion's websites are managed and administrated internally by Travelucion's web-master and with four IT staff members all of whom have worked with Travelucion's founder and owner for approximately 15 years. In addition to its management and IT staff, Travelucion may retain editorial writers, website designers and software engineers on an as needed basis.

There are a number of identifiable intangible properties that are important for the business including brand names, circulation lists, copyrights and software. Travelucion owns 432 websites all with brand names and copyrights. There are no third-party software products or systems used anywhere within the current network of 432 web assets/properties, and as such no third-party royalty payments. All of Travelucion's websites are managed and administrated internally by Travelucion's web-master. Over the years, Travelucion has serviced thousands of customers booking travel to Cuba and maintains a contact/email list of over 60,000 past customers. Travelucion has also developed a strong social media platform consisting of passionate Cuba social media followers across Facebook, Twitter, Pinterest and Instagram consisting of over 100,000 followers.

The online travel industry is seasonal in nature with strong months including July, August, November and December, and weaker months including February, March, and April.

Travelucion has long-term, established relationships with all of its core suppliers and it is expected that these relationships will continue.

There are no environmental regulations / controls directly impacting Travelucion's current online business. Economic and political conditions could affect the Travelucion's operations. If global economic conditions improve, more people will book travel positively impacting the Travelucion's revenue. However, if conditions deteriorate, the opposite will happen. Also, political conditions in Cuba could have an impact in that if the conditions are unstable in the country, less people will travel there negatively impacting revenue.

Travelucion is based in Spain, however the customer base is spread across various geographic locations including Europe, South and Central America, as well as North America. The business is more global in that respect.

Market

Travelers from Europe (Spain, Germany, UK, France) and Central/South America (Brazil, Venezuela) represent the majority of bookings for Travelucion currently but there are also some bookings from North America and Asia. The target market going forward for Travelucion is the United States in particular and North America in general, in addition to Europe and Central/South America. Canada is the largest market for tourism to Cuba at the moment and as such will be a market the Company will focus on over the coming years in addition to the budding U.S. market. The relaxation of travel restrictions for U.S. citizens to Cuba and the potential end to the U.S. embargo will act as the ultimate catalysts for growth in the Cuban travel market.

The travel industry has shown that recently there is significant interest in niche travel companies that provide local tour and marketing support for travelers to explore local cultures and locations. A greater emphasis is also on "adventure" tourism including staying outside of major tourist resorts such as local B&B locations.

In December 2014, U.S. President Barack Obama announced the U.S. and Cuba would normalize diplomatic relations with Cuba. This will potentially inject billions of dollars into the Cuban economy and has included the relaxation of travel restrictions for U.S. citizens, U.S. citizens are now allowed to import \$400 of Cuban goods, direct banking & U.S. debit and credit cards are permitted in Cuba, and U.S. telecommunications are

allowed to export and offer services and infrastructure in Cuba. With the relaxation of rules for American travelers to Cuba, growth in travel to Cuba is on an upward trajectory. Travelucion is set up to handle the travel requirements of qualified U.S. travelers to Cuba. The company allows permitted U.S. travelers and non-U.S. travelers the ability to book high end hotel and spa accommodations or create uniquely Cuban travel packages with private home rentals, antique car services and access to a multitude of guided or self-discovery tours across Cuba in addition to basic hotel and car rental bookings.

The travel industry has shown that recently there is significant interest in niche travel companies that provide local tour and marketing support for travelers to explore local cultures and locations. A greater emphasis is also on "adventure" tourism including staying outside of major tourist resorts such as local B&B locations. Travelucion is uniquely positioned and able to offer custom vacations with rooms, car rentals, and specialty tours (adventure tourism). There is a strong and growing demand for custom vacations where the customer selects where and when they want to go and what they want to do. With many tourists looking to embrace the Cuban culture and hospitality, the company expects higher interest in private home rentals (B&B), specialty tours, private restaurants, and self-drive (car rental) services as well as other car services such as the historic (pre-1959) car tours offered in Havana. Additional tourism activities such as health tourism, ecotourism, golf, fishing, water sports and spa services are all things that can be booked through Travelucion.

Travelucion uses its 432 websites to gauge interest in Cuba and travel to the island. Travelucion has noticed a significant increase in American visitors to its websites which now account for about 33% of the online traffic. The 432 websites generate collectively over 30 million page views a year.

The travel industry has been around for centuries and continues to grow. Most of the business is online so the only obsolescence would be the websites being outdated and needing to be modernized.

The customer base for Travelucion is global with travelers from around the world booking trips to Cuba. A general tourist travel prohibition for Americans still remains in place but there are new regulations in which travelers to Cuba no longer have to ask for government permission and instead can see if they qualify for one of 16 categories of travel permitted under a general license. With the relaxation of rules for American travelers to Cuba, growth in travel to Cuba is on an upward trajectory which is what Travelucion is looking to capitalize on.

With regards to Cuba, the unique political and economic situation in Cuba has limited the growth potential for the tourism industry for many years. The Cuban government, by its nature being Communist, has controlled all aspects of the economy and capital has been limited thus inhibiting rapid expansion of the tourism industry. However, this is changing as Cuba and its government are starting to open up to a more capitalist economic system and are now allowing private businesses as well as private real estate ownership by Cubans. Raul Castro has implemented new policies to move the Cuban economy away from the strict communist state. This is another positive trend Travelucion is looking to capitalize on.

There is seasonality in the travel industry with summer months and months before New Year's tending to be the busiest while spring months tend to be slower. This is fairly consistent across the globe in various geographic locations with customer spread across the world. An increase in North American customers might lead to an increase in revenue during North American holidays as well as Spring Break weeks in March.

Marketing Plans and Strategies

Travelucion will continue selling travel through its online booking platform but will also start to carry out physical bookings through travel agents as well. The company also plans to monetize its online traffic generated through its 432 websites by selling advertising and “pay per click” through its websites. There are several opportunities to grow the business going forward through marketing. Each one of these has a timeline and will be done internally or outsourced or both.

- Increase online marketing budget both internally and with 3rd party online marketing groups, advertising, partnerships, and hiring dedicated individuals to oversee social media marketing and other digital marketing initiatives (implement immediately and continue to do so over the next few years)
- Leverage Travelucion’s current contact/email database of over 60,000 past customers as well as over 100,000 social media followers to generate additional sales through email and online marketing campaigns (implement immediately and continue to do so over the next few years)
- Establish relationships/partnerships with large North American travel and cruise line companies, as well as other companies that provide various travel related services like water sports, ecotourism, convention services, specialty tours, etc. (carry this out over the next 3-4 years)
- Enhance corporate profile through physical marketing efforts in North America; this would entail a sales team or relationships with travel agents to help develop Travelucion’s profile (carry this out over the next 3-4 years)
- As all of Travelucion’s bookings are currently unaided, online bookings the company can add people to physically assist in the booking process thereby capturing those customers that still want/need to talk to someone (i.e. call centre or chat room)
- Increase exposure by attending global industry conventions and trade shows but with a focus on North America (carry this out over the next 3-4 years)
- Develop mobile and web-based interfaces that will permit visitors to preview and book private homes directly from their phones, order classic car tours on demand, reserve private restaurants, tours and adventures in real time, yet with a uniquely Cuban style (carry this out over the next 3-4 years)

Up until the present, Travelucion’s growth has been organic and the booking sales have been online, unaided sales. That is, all the growth generated to date has originated from the company’s own Cuba related websites with traffic being transferred to the e-commerce booking platforms. Additional external and online marketing has been almost non-existent and the online marketing has been limited to Travelucion’s own websites. This is an advantage Travelucion has as there is no need to “pay for clicks” as so much of the travel industry is dependent on. The growth from this model has been rapid over the last few years and Travelucion will continue to employ this strategy going forward but will look to enhance it. Travelucion plans to overhaul and modernize some of its websites that currently generate over 30 million page views a year to leverage this traffic and drive volume to the booking platforms to monetize it further. Furthermore, Travelucion’s online traffic could also be monetized by selling it to other companies who are looking for it for their respective Cuba related businesses in the form of banner ads and digital marketing contracts.

Cuba is gearing up for GDS (Global Distribution System) incorporation for central booking which will streamline the booking process for travel providers. Travelucion is preparing its 432 websites for GDS integration in preparation for GDS real-time bookings through Amadeus, Abacus and, when authorized,

American GDS companies Travelport and Sabre. This will likely decrease costs and increase booking volumes for the company going forward. Steve Marshall has also taken the necessary courses and is licensed to run a travel business that can incorporate the use of a GDS distribution channel.

Travelucion plans to increase its online marketing budget both internally and with 3rd party online marketing groups, advertising, partnerships, and hiring dedicated individuals to oversee social media marketing and other digital marketing initiatives. Travelucion also plans to enhance its corporate profile through physical marketing efforts in North America and engage a sales team or establish relationships with travel agents to help develop the company's profile. Travelucion also plans to increase its exposure by attending global travel industry conventions and trade shows but with a focus on North American and plans to carry this out over the next 3-4 years.

The aforementioned marketing programs are estimated to cost approximately \$150,000 for the immediate increase in online marketing, \$250,000 per year for a sales team and call centre, and \$100,000 per year for attending travel industry conventions and trade shows. Travelucion will be able to begin these marketing initiatives using the capital it plans to raise as well as its current cash flow. Increased marketing budgets going forward could be funded from internal cash flows assuming the business grows as expected.

Travelucion's pricing policy will be combination of the three. During peak holiday and travel seasons, Travelucion can improve its margins with a premium pricing policy but in slower travel months it will implement at market or discount pricing policies. It has the flexibility to do this given the online nature of the business.

Competitive Conditions

Most of Travelucion's competitors are smaller private, travel providers as the company's main business is focused on specialty tourism in Cuba. It is important to note that the current trade embargo imposed on Cuba by the U.S. prohibits American domiciled companies from doing business in Cuba or selling travel to Cuba. This includes the two largest online travel agencies Expedia and Priceline which collectively control a large part of the online travel market share. This creates an opportunity in that the U.S. tourist market going to Cuba cannot be serviced by U.S. travel companies. This diminishes the competition until such a time that U.S. Congress votes to lift the trade embargo entirely. Other larger non-American travel providers including Sunwing, Air Canada and WestJet in Canada could be classified as competitors but their business units focused on tourism to Cuba revolve around flights and traditional resort bookings which are not areas Travelucion generates revenue or plans to grow its business in.

Travelucion and its predecessor's presence in Cuba over the past two decades has led to a competitive advantage in the Cuba travel space. Steve Marshall lived in Cuba for over 11 years became a special advisor to numerous Cuban corporations providing support and investment in a range of commercial sectors. In addition to the management and administrative offices in Spain, Travelucion and its predecessors have maintained representation in Cuba since the mid 1990's. Travelucion is in a unique position due to its long operating history in Cuba as well as its relationships with other travel agencies to be able to provide Cuban travel bookings through three operated suppliers including Havanatur, CubaTUR and Gaviota Tour. Travelucion's proprietary online booking systems have been developed to poll prices from each agency to determine the lowest price and best travel options for customers. Through legacy agreements with Cuba's largest travel suppliers, Travelucion's e-commerce brands like Havanatur.com, Cuba VIP and GoCuba

provide the company with access to a broader and diverse portfolio of Cuban travel and tourism packages than any other travel provider. The company is uniquely positioned and able to offer custom vacations with rooms, car rentals, and specialty tours (adventure tourism). Given the specialized travel bookings Travelucion is able to provide, it can generate higher margins and more profitability with superior service offered to its customers.

Travelucion's portfolio of web assets has been built up over almost 20 years and as a result these sites are well known and show up high on search engine lists. The web traffic to these sites is substantial at over 30 million page views per year and growing. The increased interest in Cuba through the websites has directly translated into increased sales for Travelucion. This web traffic is created organically and is not purchased from any 3rd party like Google. This is a competitive advantage and cost savings for the company as pay for clicks and SEO programs are an expensive part of many marketing budgets and in particular, pay for clicks to Caribbean destinations can cost \$2.00 to \$10.00 per click. Travelucion pays no 3rd party any fees for this online lead generation and pay for clicks / SEO programs which could amount to many millions of dollars saved going forward. All traffic to the online e-commerce booking platform originates from the company's own websites as the IT software is all proprietary and owned and built by the company's IT personnel. This could be monetized further as Travelucion could look to sell its online traffic to other companies who are looking for it for their respective Cuba related businesses in the form of banner ads and digital marketing contracts.

All foreign travel agencies operating in Cuba must obtain an operating license from one of the following 100% Cuban-owned agencies and suppliers, these are in order of size and sales volume: Havanatur, CubaTUR, Gaviota Tour, Cubanacan, Ecotur. Travelucion is in a unique position due to its long operating history in Cuba as well as its relationships with other licensed travel agencies to be able to provide Cuban travel bookings through three of these locally operated suppliers including Havanatur, CubaTUR and Gaviota Tour. It takes time and is not a simple process to get one of these licenses which creates a barrier to entry for new competition. Nonetheless, if the embargo is lifted there will likely be an influx of American travel companies that will bring in new competition but some of these companies will likely look to acquire successful operating companies already active in Cuba as a means to break into the market.

Future Developments

Travelucion already has a presence in the rapidly growing specialty and adventure travel sector. The company's predecessor was originally built around this type of business model catering to large groups of American travelers in early 2000's. Profit margins for the all-inclusive stays in Cuba are low and fail to provide the real experience of Cuba desired by many modern day travelers. Because of this, Travelucion is focused on developing its business to cater to the traveler who wants the freedom to buy this type of customized experience. In addition to hotel and car rental bookings, Travelucion offers and will continue to build on a wide array of products including historic car rentals, private residences / B and B bookings, specialty tours pre-qualifying Americans to travel to Cuba, ecotourism, and health tourism to name a few. In particular Travelucion will continue to build on its current 150 private home (Casa Particulares) rental listings database using a model similar to that of AirBnB and HomeAway. Mobile and web-based interfaces will permit all visitors to preview and book private homes directly from their phones, order classic car tours on demand, reserve private restaurants, tours and adventures in real time, yet with a uniquely Cuban style. Collectively

this will likely take 2-3 years and is estimated to cost about \$500,000 which will be funded both through raised capital but mostly through internal cash flow.

Cuba is gearing up for GDS (Global Distribution System) incorporation for central booking which will streamline the booking process for travel providers. Travelucion is preparing its 432 sites for GDS integration in preparation for GDS real-time bookings. This will ultimately decrease costs and increase booking volumes for the company going forward. Stephen Marshall has also taken the necessary courses and is licensed to run a travel business that can incorporate the use of a GDS distribution channel so the incorporation should only take a few months and is estimated to cost \$150,000.

Travelucion's portfolio of web assets has been built up over almost 20 years and as a result these sites are well known and show up high on search engine lists. The web traffic to these sites is substantial at over 30 million page views per year and growing. The increased interest in Cuba through the websites has directly translated into increased sales for Travelucion. This web traffic is created organically and is not purchased from any 3rd party like Google. This is a competitive advantage and cost savings for the company as pay for clicks and SEO programs are an expensive part of many marketing budgets and in particular, pay for clicks to Caribbean destinations can cost \$2.00 to \$10.00 per click. All traffic to the online e-commerce booking platform originates from the company's own websites as the IT software is all proprietary and owned and built by the company's IT personnel. This could be monetized further as Travelucion could look to sell its online traffic to other companies who are looking for it for their respective Cuba related businesses in the form of banner ads and digital marketing contracts.

Proprietary Protection

The web assets' hosting and copyrights are renewed annually.

The websites are all copyrighted and the custom booking platform that has been designed to service travelers going to Cuba is proprietary.

Travelucion has four proprietary web servers located in Germany. In addition, the company has localised web content delivery through caching servers providing low-latency content in 19 countries. All software, data, content and design are owned by the company. While Travelucion has outsourced some of its ongoing development and IT related activities, there are no third-party software products or systems used anywhere within the current network of 432 web assets/properties, and as such no third-party royalty payments. All of Travelucion's websites are managed and administrated internally by the company web-master and with four IT staff members all of whom have worked with Travelucion and or Stephen Marshall for approximately 15 years and are under confidentiality and non-competition agreements.

Lending

Since formation, Travelucion has not been the subject of any bankruptcy, or any receivership or similar proceedings. Likewise, the company has not undergone any material reorganization since formation other than normal changes in share ownership transactions.

Selected Annual Information

Period Ended (in Euros)	September 30, 2015 9 months	December 31, 2014 12 months	December 31, 2013 12 months
Total revenue	€ 755,771	€ 458,126	€ 279,798
Net income	€ 42,527	€ 4,210	€ 1,773
Total assets	€ 102,032	€ 27,242	€ 15,056
Total long-term financial liabilities	€ 23,990	-	-
Cash dividends declared	-	-	-

Period Ended (in CDN dollars)	9 months: Jan. 2015 - Sept. 2015 (1.4182 EUR/CDN)	Year ended December 2014 (1.4671 EUR/CDN)	Year ended December 2013 (1.3681 EUR/CDN)
Revenue	\$ 1,071,834.43	\$ 672,116.65	\$ 382,791.64
Gross Profit	\$ 305,023.62	\$ 89,961.10	\$ 123,847.25
Total Expenses	\$ 224,607.43	\$ 82,474.49	\$ 120,613.06
Income Before Taxes	\$ 80,416.19	\$ 7,486.61	\$ 3,234.19
Net Income	\$ 60,311.79	\$ 6,176.49	\$ 2,425.64
Working Capital	\$ 17,526.12	\$ (13,890.50)	\$ (8,753.10)
Total Assets	\$ 144,701.78	\$ 39,966.74	\$ 20,598.11
Total Liabilities	\$ 75,687.92	\$ 30,964.61	\$ 17,963.15
Total Equity	\$ 97,875.47	\$ 13,207.02	\$ 3,604.89
Net Tangible Assets	\$ 117,641.11	\$ 38,198.88	\$ 19,650.02

There have been no discontinued operations, changes in accounting policies, significant acquisitions or dispositions or any significantly different management bonuses or major changes in the direction of Travelucion's business, during the past three years.

Financial Reporting Standards

The Company's financial statements are prepared in accordance with IFRS (International Financial Reporting System) and Travelucion's financial statements are prepared in accordance with IFRS . Post-Acquisition, all financial reporting will be undertaken using IFRS.

Description of Securities

As at December 31, 2015, there were 3,050 common shares of its capital outstanding with a par value of \$1.00 each.

Prior Sales

The following table summarizes the issuances of securities of Travelucion for the 12 month period preceding the date hereof:

Date	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
October 16, 2015	610	\$491.80	\$300,000	Property Acquisition ⁽¹⁾

(1) Shares issued in consideration of acquisition of 20% interest in Travelucion pursuant to Stage One of the Share Exchange Agreement.

Executive Compensation

During the fiscal year ended December 31, 2015, the Company had one Named Executive Officer, being Stephen Marshall.

The following table sets for information concerning the total compensation paid during Travelucion's completed fiscal years ending December 31, 2013, December 31, 2014 and nine months ended September 30, 2015.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share based awards (\$) (d)	Option-based awards (\$) (e) ⁽²⁾	Non-equity incentive plan compensation \$ (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Stephen Marshall President	2015 ⁽¹⁾	\$15,600	Nil	Nil	Nil	Nil	Nil	Nil	\$15,600
	2014	\$8,656	Nil	Nil	Nil	Nil	Nil	Nil	\$8,656
	2013	\$15,600	Nil	Nil	Nil	Nil	Nil	Nil	\$15,600

(1) Nine months ended September 30, 2015.

(2) Travelucion does not undertake share-based or option-based compensation awards to its executives, management or staff.

Outstanding Share-Based and Option-Based Awards

Travelucion does not undertake share-based or option-based compensation awards to its executives, management or staff.

Pension Plan Benefits, Termination of Employment, Change in Responsibilities and Employment Contracts

Travelucion does not currently have a pension plan in place for its employees. All employees sign an employment contract upon hire and which includes specific definition of confidentiality requirements of staff, and termination components for all.

Compensation of Directors and Options Issued

Travelucion does not currently have a plan in place to pay fees or provide any form of compensation to its directors

Non-Arm's Length Party Transactions

There have been no acquisitions of assets or services or provision of assets or services in any transaction by Travelucion within the prior five years where Travelucion obtained such assets or services from a director or officer of Travelucion, a shareholder of Travelucion or an associate or affiliate of any director, officer or shareholder of Travelucion.

Auditor, Transfer Agent and Registrar

The auditor of Travelucion is Canaudit SL, CIF, B-38437869 C/San Pedro Alcantara, 12-1C, 38003 Santa Cruz de Tenerife.

Legal Proceedings

There are no current or expected legal proceedings material to Travelucion, to which Travelucion is a party or of which any of its property or assets is the subject matter.

Material Contracts

Material contracts (other than contracts entered into in the ordinary course of business) during the prior two years by Travelucion:

- (a) Escrow Agreement dated February 23, 2016 between the Company, the Travelucion Shareholder, Escrow Agent.
- (b) Share Exchange Agreement between the Company, Travelucion and the Travelucion Shareholder; and
- (c) Letter of Intent between the Company, Travelucion and the Travelucion Shareholder.

INFORMATION CONCERNING THE RESULTING ISSUER

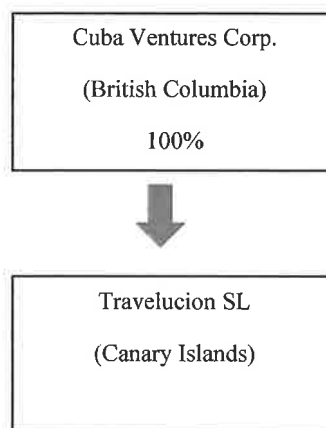
The following information is presented on a post-Acquisition basis and is reflective of the projected business, financial and share capital position of the Company, and the Resulting Issuer, after giving effect to the Acquisition and the Private Placement. This section only includes information respecting the Resulting Issuer after the Acquisition and Private Placement that is materially different from information provided earlier in this Filing Statement.

Corporate Structure

The Resulting Issuer's head office will remain at 1610-777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K4. The registered and records office of the Resulting Issuer will remain located at Suite 1710 – 1177 West Hastings Street, Vancouver, BC V6E 2L3.

The Acquisition will result in Travelucion becoming a wholly-owned subsidiary of the Company. Upon completion of the Acquisition, the Resulting Issuer's name will be changed to "Cuba Ventures Corp".

The following diagram sets forth the corporate structure of the Resulting Issuer following the Acquisition:



Narrative Description of the Business of the Resulting Issuer

Principal Products, Operations and Business Objectives

After completion of the Acquisition, the Resulting Issuer will continue to develop Travelucion's business plan as described in "Information Concerning Travelucion – *Development of the Business*" and "*Narrative Description of the Business*". The Resulting Issuer will continue to focus on expansion of the Travelucion's business and continuing corporate marketing efforts towards obtaining new customers.

Milestones

To pursue the foregoing business objectives, the Resulting Issuer will target the marketing plans and strategies as described in "Information Concerning Travelucion – *Marketing Plans and Strategies*".

As indicated above, the Resulting Issuer expects to utilize the proceeds from the Private Placement and the remainder of its available working capital to finance its operations going forward. See "*Information*"

Concerning the Resulting Issuer - Available Funds and Principal Purposes" for further detail regarding the Resulting Issuer's budgeted use of funds.

Description of the Securities

Pro Forma Consolidation Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the Acquisition and Private Placement:

Item	Number and Percentage of Common Shares Outstanding (Diluted) After Giving Effect to the Proposed Acquisition, Private Placement
Common Shares issued by the Company as at the date hereof	61,477,487
Subtotal (Undiluted)	61,477,487 (64.13%)
Common Shares Reserved for Issuance upon exercise of Warrants under the Private Placement ⁽¹⁾	6,082,000 ⁽¹⁾ (6.34%)
Common Shares Reserved for Issuance upon exercise of Agent Warrants/Options under Private Placements	933,030 (0.97%)
Common Shares reserved for issuance upon the exercise of existing share options granted to officers and directors ⁽²⁾	1,546,699 ⁽²⁾ (1.61%)
Common Shares reserved for issuance upon the exercise of existing share options granted to employees ⁽³⁾	1,005,000 ⁽³⁾ (1.05%)
Common Shares reserved for issuance upon the exercise of existing warrants ⁽⁴⁾	21,231,000 ⁽⁴⁾ (22.15%)
The Company's Stock Options available for future grant under the Stock Option Plan	3,596,050 (3.75%)
Total (Fully Diluted):	95,871,266 (100%)

(1) Each whole Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.075 expiring two years from the date of issuance.

(2) See "Stock Options" on page 10 herein.

(3) See "Stock Options" on page 10 herein.

(4) 5,985,000 warrants exercisable at a price of \$0.07 per share expiring July 31, 2016; 7,190,000 warrants exercisable at a price of \$0.075 expiring October 16, 2020 and 8,056,000 warrants exercisable at a price of \$0.075 per share expiring October 5, 2020.

Available Funds And Principal Purposes

Assuming completion of the maximum amount to be raised from the Private Placement of \$608,200 (less \$26,299 for finder's fees and other expenses related to the Private Placement), the Company will have \$581,901 available upon completion of the Acquisition.

The following table sets out the principal purposes, using approximate amounts, for which the Company currently intends to use its available working capital on completion of the Acquisition.

Available Funds	Approximate Amount (\$)
The Company's Estimated Working Capital as at the date of this Filing Statement	\$20,103
Estimated Fees and Costs of the Proposed Acquisition	(\$100,000)
Company's Estimated Available Funds from Private Placement	\$581,901
Estimated Gross Profit from Travelucion SL (12 months)	<u>\$1,347,990</u>
TOTAL:	<u>\$1,849,994</u>

Use of Available Funds	Approximate Amount (\$)
Marketing	\$300,000
General and Administrative Costs for 12 months	\$900,000
Unallocated	<u>\$649,994</u>
Total	<u>\$1,849,994</u>

Due to the nature of the technology industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it as stated in this Filing Statement, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company anticipates that the funds available to it upon completion of the Acquisition will be sufficient to carry out its business following completion of the Acquisition although it is anticipated that additional funds may be secured via future debt and/or equity financings.

The Company intends to spend the funds available to it upon completion of the Acquisition to further the Company's stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. If the Proposed Acquisition is not accepted by the Exchange, the net proceeds from the Private Placement will be used to explore different corporate opportunities with a view to completing a change of business in the technology sector.

Directors, Officers and Insiders

Following completion of the Acquisition and the directors, officers and insiders of the Resulting Issuer will remain the same as the Company. The following table also discloses the individuals' principal occupations during the last five years and the number and percentage of Common Shares anticipated to be beneficially owned, directly or indirectly or over which control or direction is exercised by each.

Name, Province or State, Country of Residence and Present Position(s) Held ⁽¹⁾	Principal Occupation and, if not at Present an Elected Director, Employment for the Last Five Years ⁽¹⁾	Director Since	Common Shares and Percentage Held Assuming Completion of Acquisition and Private Placement
James G. Pettit⁽²⁾ British Columbia, Canada President, CEO and Director	President and Director of Aben Resources Ltd., (TSX-V) May 2000 to date; CFO and Director of Cypress Development Corp. (TSX-V), November 2002 to date; Director of Gold Reach Resources Ltd., (TSX-V), 2003 to date; Chairman and Director of Skyharbour Resources Ltd., (TSX-V) June 1999 to date. <i>Former Officer and/or Director of Bayfield Ventures Corp., (2014), Windriver Resources Ltd., (2001), International Samuel Resource Corp., (2003), Dasher Energy Corp., (1998), CSG Resources Ltd., (1999), International Butech Industries Corp., (1996), Horizon Industries Ltd., (1999) and Mask Resources Inc., (2004), all are current or former TSX-V issuers.</i>	January 24, 2002	536,100 shares (0.9%)
Donald C. Huston British Columbia, Canada Acting CFO and Director	CFO and Director of Aben Resources Ltd., (TSX-V) September 1998 to date; President and Director, Cypress Development Corp., (TSX-V) July 1996 to date and CFO and Director of Skyharbour Resources Ltd. (TSX-V), March 2001 to date. <i>Former Officer and/or Director of Horizon Industries (2003), Tosca Mining Corp. (2006) and Bayfield Ventures Corp. (2014), all of which are current or former TSX-V issuers.</i>	October 1, 1997	58,400 Shares (0.09%)
Donald G. Myers⁽²⁾⁽³⁾ British Columbia, Canada Director	Director of Cypress Development Corp., (TSX-V) April 2005 to date, Director of Skyharbour Resources Ltd. (TSX-V), July 2007 to date. <i>Former Director of Aben Resources Ltd. (2013) and JRTL Capital Corp. (2006), Bayfield Ventures Corp. (2014), both of which are current or former TSX-V issuers.</i>	September 28, 2005	9,000 Shares (0.01%)
Amanda B. Chow CPA⁽²⁾⁽³⁾ British Columbia, Canada Director	Certified Professional Accountant; Officer and Director of Aben Resources Ltd., (TSX-V) October 2012 to date, Cypress Development Corp., (TSX-V), October 2012 to date, and Skyharbour Resources Ltd., (TSX-V) October 2012 to date. <i>Former Director of Bayfield Ventures Corp., (2014).</i>	November 2, 2005	6,200 Shares (0.01%)
Lori L. Pavle British Columbia, Canada Corporate Secretary	Securities Paralegal, Corporate Secretary of Aben Resources Ltd. (TSX-V) June 2015 to date; Corporate Secretary of Cypress Development Corp. (TSX-V) June 2015 to date; Corporate Secretary of Skyharbour Resources Ltd. (TSX-V) June 2015 to date. <i>Former Director of Quizam Media Corp. (2014).</i>	June 2015	Nil
Stephen Marshall Canary Islands, Spain Over 10% holder	President of Travelucion, SL	November, 2015	21,000,000 (34.16%)

(1) The information as to province and country of residence and principal occupation and number of Shares beneficially owned by the nominee (directly or indirectly or over which control or direction is exercised) not being within the knowledge of the Company, has been furnished by the respective directors individually.

- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

Management

The following is a brief description of the background of the proposed key management personnel of the Company upon completion of the Acquisition.

Jim Pettit: President, CEO and Director – age 61

Jim Pettit, a North Vancouver, BC resident, has been a director of MPH Ventures since January of 2002 and was appointed President and Chief Executive Officer in 2004. He is currently serving on the board of directors of several publicly traded companies and offers 25+ years of experience within the industry specializing in finance, corporate governance, executive management and compliance. Jim was previously Chairman and CEO of Bayfield Ventures Corp. which was bought by New Gold Inc. in January 2015.

Steve Marshall: President, CEO of Travelucion S.L. – age 48

Steve Marshall, a Canary Island resident, is the President and CEO of Travelucion and the owner of the remaining 80% interest in Travelucion and its Cuban web domain/asset portfolio. He is a trilingual entrepreneur specializing in international marketing and deal brokering having successfully adapted to varied world markets throughout his career directing marketing campaigns in Spain, France, Russia, Moldova, Ukraine and Cuba including a multinational timeshare company and a multilevel digital marketing corporation. Mr. Marshall spent 11 years in Cuba specializing in Cuban joint ventures and successfully founded a number of companies including, Primeras Inversiones, (Havana Free Zone), first State approved real estate joint venture – CIMEX, Dimension W-Tech start-up joint venture with the Ministry of Communications, and the first Cuba-centric online marketing company handling over 30 million annual internet visitors with the Ministry of Tourism. Steve's past Cuban ventures have received coverage in the Financial Times, BBC News, CNN, Time Magazine, Washington Post, Chicago Tribune, and The Wall Street Journal. Steve was a special advisor to a number of Cuban corporations spearheading their entrance into the new economy and providing support and investment in a range of commercial sectors. He is knowledgeable concerning the idiosyncrasies of dealing with the Cuban Government and Cuba's foreign investment laws.

Don Myers: Director – age 56

Don Myers, a Vancouver, BC resident, has served as a non-executive Director and audit committee member of MPH Ventures Corp. since September 2005. Mr. Myers is the Director of Corporate Communications at 98 Corporate Group Resources Ltd. which provides public company administrative management services including venture capital financing, business development, accounting and corporate communications. He is currently serving on the board of directors of three companies and manages the investor relations and corporate communications of four publicly traded mineral exploration and development companies. He has 30 plus years of experience in public company management and investor relations having helped raise over \$350 million in venture capital for resource and technology companies listed on the TSX Venture, NASDAQ and Toronto Stock Exchanges.

Donald Huston: Director – age 64

Don Huston serves as a Director and as President and Chief Executive Officer of Cypress Development Corp. He has been associated with the mineral exploration industry for over 30 years and has extensive experience as a financier and in-field manager of numerous mineral exploration projects in North America. He was born and raised in Red Lake, Ontario and spent 15 years as a geophysical contractor with C.D. Huston & Sons Ltd. as mineral exploration consultants in northern Ontario, Manitoba and Saskatchewan. Mr. Huston serves as a director of four Canadian public resource companies.

Amanda Chow, CPA, CMA: Director – age 44

Amanda Chow, a Port Moody, BC resident, has served as an independent Director and audit committee member of MPH Ventures Corp. since November 2005. Ms. Chow is a Chartered Professional Accountant (CPA, CMA) and a graduate of Simon Fraser University where she earned her Bachelor of Business Administration degree. She began working with public companies in 1999.

Lori Pavle: Corporate Secretary – age 55

Lori Pavle, a North Vancouver, BC resident serves as Corporate Secretary of the Company. Ms. Pavle has over 25 years of experience in the corporate industry as a paralegal specialist at securities firms and as Corporate Secretary of a number of publicly traded TSX Venture companies.

Corporate Cease Trade Orders or Bankruptcies

No proposed director, officer or promoter of the Company nor any securityholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company has, as at the date hereof, or has been, within 10 years before the date hereof, a director, officer or promoter of any person or company that, while the person was acting in that capacity: (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director, officer or promoter of the Company, nor a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, has (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No current or proposed director, officer or promoter of the Company, nor a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has with the 10 years before the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

Conflicts of Interests

There are potential conflicts of interest to which the directors, officers and promoters of the Company will be subject with respect to the operations of the Company. Certain of the directors, and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Situations may arise where the directors, officers and promoters of the Company will be engaged in direct competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the BCBCA. The BCBCA requires that directors and officers of the Company, who are also directors or officers of a party which enters into a material contract with the Company or otherwise have a material interest in a material contract entered into by the Company, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Company's directors to approve the contract.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
James G. Pettit	Aben Resources Ltd.	TSX-V	President/Director	2000	Present
	Cypress Development Corp.	TSX-V	CFO/Director	2002	Present
	Skyharbour Resources Ltd.	TSX-V	Chairman/Director	1999	Present
	Gold Reach Resources Ltd.	TSX-V	Director	2003	Present
	Bayfield Ventures Corp.	TSX-V	President	2000	2014
Donald C. Huston	Aben Resources Ltd.	TSX-V	CFO/Director	1998	Present
	Cypress Development Corp.	TSX-V	President/Director	1996	Present
	Skyharbour Resources Ltd.	TSX-V	Director	2001	Present
	Bayfield Ventures Corp.	TSX-V	Director	2000	2014
Amanda B. Chow	Aben Resources Ltd.	TSX-V	Director	2012	Present
	Cypress Development Corp.	TSX-V	Director	2012	Present
	Skyharbour Resources Ltd.	TSX-V	Director	2012	Present
	Bayfield Ventures Corp.	TSX-V	Director	2012	2014
Donald G. Myers	Aben Resources Ltd.	TSX-V	Director	2010	2013
	Cypress Development Corp.	TSX-V	Director	2005	Present
	Skyharbour Resources Ltd.	TSX-V	Director	2007	Present
	Bayfield Ventures Corp.	TSX-V	Director	2005	2014
Lori L. Pavle	Aben Resources Ltd.	TSX-V	Corporate Secretary	2015	Present
	Cypress Development Corp.	TSX-V	Corporate Secretary	2015	Present
	Skyharbour Resources Ltd.	TSX-V	Corporate Secretary	2015	Present
	Quizam Media Corp.	TSX-V	Director	2007	2014

Executive Compensation and Management Contracts

There will be no changes to compensation arrangements for the Resulting Issuer's Named Executive Officers. For further information regarding the compensation arrangements, refer to the heading "Information Concerning MPH – Executive Compensation".

Outstanding share-based awards and option-based awards

The Resulting Issuer will continue to utilize the Stock Option Plan. Pursuant to the Stock Option Plan, the Resulting Issuer can grant options up to a maximum of 10% of the Resulting Issuer's issued and outstanding share capital at the time of grant. For further information regarding the terms of the Stock Option Plan, refer to the heading "Information Concerning MPH - Stock Option Plan" above.

Pension Plan Benefits

The Company does not have and the Resulting Issuer does not propose to have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company does not anticipate having any employment contract with any of its Named Executive Officers, other than as disclosed on page 14, regarding the agreements in place and with Travelucion's current President.

Consulting Contracts

The Company has two existing consulting contracts with its current President/CEO and CFO as disclosed on page 14.

Compensation of Directors

The Resulting Issuer does not expect to pay any fees or compensation to its non-executive directors other than as disclosed on page 18.

Indebtedness of Directors and Officers

No director, officer, promoter, or proposed member of management or appointment as a director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to the Company or Travelucion since the commencement of the Company's or Travelucion's last completed financial year, nor is any such person expected to be indebted to the Resulting Issuer on the completion of the Acquisition.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Company and the Company has no current intention to retain a person to provide investor relations services.

Options to Purchase Securities

The Resulting Issuer will continue to utilize the Stock Option Plan which permits the reservation of a maximum of 10% of the issued and outstanding shares of the Resulting Issuer as of the date of grant of stock options under such plan. The principal terms of the Stock Option Plan are discussed at "Information Concerning MPH Ventures Corp. -Stock Option Plan".

Assuming completion of the Acquisition the following options to purchase Common Shares will be outstanding:

Nature of Security	Number of Securities	Holder	Exercise Price Per Share	Expiry Date
Stock Options	590,000	Current and Proposed Directors of the Company who are not Officers	\$0.05 to \$0.085	Various
Stock Options	956,669	Current and Proposed Officers of the Company	\$0.05 to \$0.085	Various
Stock Options	1,005,000	Current and Proposed Employees	\$0.05 to \$0.085	Various

Stock Option Plan

Refer to "Stock Option Plan" of the Company located on page 11 herein.

Escrowed Securities

1. The Share Exchange Agreement provides that the aggregate 20,000,000 transaction shares issued in exchange for all of the of MPH will held in escrow pursuant to the terms of a surplus escrow agreement dated February 23, 2016 (the "Surplus Escrow"). The Surplus Escrow shares will be released to the Travelucion Shareholder on the following basis:

Release Dates	Percentage of Total Escrowed Securities to be Released	Total Number of Escrowed Securities to be Released
Exchange Bulletin Date	5%	1,000,000
6 months following Exchange Bulletin Date	5%	1,000,000
12 months following Exchange Bulletin Date	10%	2,000,000
18 months following Exchange Bulletin Date	10%	2,000,000
24 months following Exchange Bulletin Date	15%	3,000,000
30 months following Exchange Bulletin Date	15%	3,000,000
36 months following Exchange Bulletin Date	40%	8,000,000
TOTAL	100%	20,000,000

2. Pursuant to TSX Venture Policy 5.4, James Pettit CEO and President, has entered into a Value Escrow Agreement dated March 15, 2016 pursuant to which Mr. Pettit's current shareholdings of 536,100 common shares will be placed in escrow and released on the following basis:

25% will released on the TSX Bulletin Date
 25% will be released 6 months following the TSX Bulletin Date
 25% will be released 12 months following the TSX Bulletin Date
 25% will be released 18 months following the TSX Bulletin Date

Hold Periods

Certain securities of the Resulting Issuer will also be subject to the statutory four month hold period commencing on the Closing Date (being the distribution date of such securities). The securities include:

- 12,164,000 shares issued under the Private Placement as well as 6,082,000 warrants and any warrant shares issued on exercise of the placement warrants during the statutory four month hold period;
- 525,980 Agent's Warrant Shares issued on exercise of the Agent's Warrants during the statutory four month hold period;

To the knowledge of management of the Company and Travelucion, there are no other material facts relating to the Company or Travelucion, the Acquisition or the Private Placement that are not otherwise disclosed in this Filing Statement and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Company, Travelucion and the Resulting Issuer, assuming completion of the Acquisition and the Private Placement.

Sponsorship

Pursuant to the Sponsorship Policy of the Exchange, sponsorship may be required in conjunction with a COB. The Company has made application to the Exchange and received an exemption from the sponsorship requirement on the basis that:

- (a) it is not a foreign issuer;
- (b) the Board of Directors and management of the Company meet a high standard and collectively possess appropriate experience, qualifications and history, having positive records with junior companies and appropriate technical and other expertise involving public companies in Canada; and
- (c) the Company will satisfy Exchange's Minimum Listing Requirements for a tier 2 issuer.

Experts

The auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants, of 1200-609 Granville Street, Vancouver, British Columbia, V6C 2G8 who prepared the auditor's report for the audited financial statements of the Company for the financial years ended May 31, 2014 and May 31, 2015. Davidson & Company LLP is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Interests of Experts

To the best of the Company's and Travelucion's knowledge, no direct or indirect interest in the Company or Travelucion is held or will be received by any experts responsible for opinions or reports referred to in this Filing Statement. No expert is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer.

Other Material Facts

To the knowledge of management of the Company and Travelucion, there are no other material facts relating to the Company, Travelucion, the Resulting Issuer, the Acquisition or the Private Placement that are not otherwise disclosed in this Filing Statement and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Company, Travelucion and the Resulting Issuer, assuming completion of the Acquisition and the Private Placement.

Board Approval

The board of directors of each of the Company and Travelucion has approved this Filing Statement.

MPH VENTURES CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED MAY 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
MPH Ventures Corp.

We have audited the accompanying consolidated financial statements of MPH Ventures Corp., which comprise the consolidated statements of financial position as at May 31, 2014 and 2013 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of MPH Ventures Corp. as at May 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of MPH Ventures Corp. to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

September 10, 2014

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	May 31, 2014	May 31, 2013
ASSETS		
Current		
Cash	\$ 43,723	\$ 35,046
Short-term investments	-	450,904
Receivables and prepaid expenses (Note 4)	<u>16,653</u>	<u>22,340</u>
	60,376	508,290
Equipment (Note 5)	16,817	128
Exploration and evaluation assets (Note 6)	<u>2,896,773</u>	<u>2,802,888</u>
	<u>\$ 2,973,966</u>	<u>\$ 3,311,306</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 21,980</u>	<u>\$ 23,362</u>
Shareholders' equity		
Capital stock (Note 8)	14,155,148	14,080,148
Reserves (Note 8)	1,090,133	1,090,133
Deficit	<u>(12,293,295)</u>	<u>(11,882,337)</u>
	<u>2,951,986</u>	<u>3,287,944</u>
	<u>\$ 2,973,966</u>	<u>\$ 3,311,306</u>

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

Approved and authorized for issue by the Board of Directors on September 10, 2014:

"Don Huston" Director "Jim Pettit" Director

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

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
YEAR ENDED MAY 31

	2014	2013
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative	\$ 115,065	\$ 55,521
Amortization (Note 5)	3,161	1,544
Consulting fees	34,277	31,549
Office and miscellaneous	35,244	27,224
Professional fees	71,562	46,980
Property investigation	836	800
Rent	25,842	16,618
Shareholder communications	95,868	61,870
Telephone	3,942	1,843
Transfer agent and filing fees	20,436	17,507
Travel	7,657	6,007
	<u>(413,890)</u>	<u>(267,463)</u>
OTHER ITEMS		
Interest income	2,932	4,249
Gain on sale of marketable securities	-	3,922
Option payment received in excess of costs (Note 6)	-	20,000
Gain on disposition of exploration and evaluation asset (Note 6)	-	250,000
Write-off of exploration and evaluation assets (Note 6)	<u>-</u>	<u>(117,375)</u>
	<u>2,932</u>	<u>160,796</u>
Loss for the year	(410,958)	(106,667)
Other comprehensive loss		
Realized loss on available-for-sale marketable securities, net of tax	<u>-</u>	<u>(2,062)</u>
Comprehensive loss for the year	\$ (410,958)	\$ (108,729)
Basic and diluted loss per common share	\$ (0.05)	\$ (0.01)
Weighted average number of common shares outstanding	8,021,680	7,782,487

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

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEAR ENDED MAY 31

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (410,958)	\$ (106,667)
Items not affecting cash:		
Amortization	3,161	1,544
Gain on sale of marketable securities	-	(3,922)
Option payment received in excess of costs	-	(20,000)
Gain on disposition of exploration and evaluation asset	-	(250,000)
Write-off of exploration and evaluation assets	-	117,375
Accrued interest income	(2,932)	66
Changes in non-cash working capital items:		
Decrease in receivables and prepaid expenses	5,687	5,179
Decrease in accounts payable and accrued liabilities	(1,382)	(2,982)
Net cash flows used in operating activities	(406,424)	(259,407)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(18,885)	(24,895)
Acquisition of equipment	(19,850)	-
Option payment received in excess of costs	-	20,000
Net sale (purchase) of short-term investments	453,836	(130,000)
Proceeds on disposition of exploration and evaluation assets	-	250,000
Proceeds from sale of marketable securities	-	59,860
Net cash flows provided by investing activities	415,101	174,965
Increase (decrease) in cash during the year	8,677	(84,442)
Cash, beginning of year	35,046	119,488
Cash, end of year	\$ 43,723	\$ 35,046

Supplemental disclosures with respect to cash flows (Note 12)

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

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Capital Stock		Reserves	Accumulated Other Comprehensive Income	Deficit	Total
	Number	Amount				
Balance, as at May 31, 2012	7,782,487	\$ 14,080,148	\$ 1,090,133	\$ 2,062	\$(11,775,670)	\$ 3,396,673
Realized loss on available-for-sale marketable securities	-	-	-	(2,062)	-	(2,062)
Loss for the year	-	-	-	-	(106,667)	(106,667)
Balance, as at May 31, 2013	7,782,487	14,080,148	1,090,133	-	(11,882,337)	3,287,944
Shares issued for exploration and evaluation assets	300,000	75,000	-	-	-	75,000
Loss for the year	-	-	-	-	(410,958)	(410,958)
Balance, as at May 31, 2014	8,082,487	\$ 14,155,148	\$ 1,090,133	\$ -	\$(12,293,295)	\$ 2,951,986

Subsequent to the year end, effective at market opening on June 4, 2014, the Company underwent a share consolidation issuing one new common share for every ten issued and outstanding old common shares. The issued and outstanding capital of the Company became 8,082,487 post-consolidation. All common share, stock option, warrant and per share data included herein have been adjusted to reflect the one for ten consolidation as if it had occurred at the beginning of the years reflected.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

MPH Ventures Corp. (the “Company”) is incorporated under the laws of British Columbia, Canada, and is an exploration stage company in the business of acquiring and exploring resource properties. During fiscal 2014, all the operations were in Canada and all the Company’s capital assets are located in Canada as at May 31, 2014 and May 31, 2013.

The Company together with its subsidiaries (collectively referred to as the “Company”) is principally engaged in acquisition and exploration of resource properties.

On June 4, 2014, the Company’s shares commenced trading on a 1-new-for-10-old consolidated basis. All common shares, share purchase warrants, stock options and per share amounts have been retroactively restated to conform with this presentation.

The head office and records office of the Company are located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #3350 - 1055 Dunsmuir Street, Vancouver, British Columbia, Canada.

The Company’s financial statements and those of its wholly-owned subsidiary (“consolidated financial statements”) are presented in Canadian dollars.

The Company is an exploration stage company that is engaged principally in the acquisition and exploration of its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred operating losses over the past several fiscal years, has no source of operating cash flow, and no assurances that adequate financing will be available to conduct further exploration and development of its mineral property projects. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete the exploration and development of its mineral projects as well as funding ongoing administration expenses by issuance of share capital or through joint ventures, and to realize proceeds from the disposition of its mineral interests or commence profitable operations in the future. There can be no assurance that management’s future financing efforts will be successful. The availability of financing is affected by the state of debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the results of operations and the statement of financial position classifications used and such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance and Conversion to International Financial Reporting Standards

These consolidated financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Significant inter-company transactions and balances have been eliminated on consolidation.

Name of Subsidiary	% ownership	Place of Incorporation
Pidgeon Molybdenum Mines Limited	100%	Ontario

3. SIGNIFICANT ACCOUNTING POLICIES

Short-term investments

Short-term investments include Canadian guaranteed investment certificates with a major Canadian Banking institution. These investments are stated at cost plus accrued interest and their carrying value approximates their fair value. Short-term investments consist of highly liquid investments with original maturities greater than three months.

Functional and presentation currency

The Canadian dollar is the functional currency of the Company and its wholly-owned subsidiary. Accordingly, amounts in these financial statements are expressed in Canadian ("CAD") dollars unless otherwise stated. Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the Canadian dollar are translated using exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Revenue and expense items are translated at the exchange rates in effect at the date of the underlying transaction, except for amortization related to non-monetary assets, which are translated at historical exchange rates. Exchange differences are recognized in the statement of loss and comprehensive loss in the period in which they arise.

Exploration and evaluation assets

Costs related to the acquisition, exploration and development of resource properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Pre-exploration assets are expensed as incurred.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the period received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Equipment and amortization

Equipment is recorded at cost less accumulated amortization. The asset will be amortized on a straight-line basis over six years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year. The Company had no provisions for environmental rehabilitation as at May 31, 2014 and May 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and short-term investments as fair value through profit and loss. The Company's marketable securities are classified as available-for-sale. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial instruments measured at fair values 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 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;

Level 3 – inputs that are not based on observable market data.

See Note 13 for relevant disclosures.

New accounting standards and interpretations

IAS 1, "Presentation of Financial Statements" to which the IASB issued amendments in June 2011, to: (a) require companies to group together items within other comprehensive income (loss) ("OCI") that may be reclassified to the statement of loss; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The amended standard became effective during the current year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 10, "Consolidated Financial Statements", requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "Consolidation - Special Purpose Entities", and parts of IAS 27, "Consolidated and Separate Financial Statements". The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New accounting standards and interpretations (cont'd...)

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers". The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 12, "Disclosure of Interests in Other Entities", establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The new converged fair value framework became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

New accounting standards and interpretations not yet adopted

IFRS 9, "Financial Instruments", published by the IASB in November 2009, which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is indefinitely postponed. Early adoption is permitted and the standard is required to be applied retrospectively.

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4. RECEIVABLES AND PREPAID EXPENSES

The Company's receivables and prepaid expenses arise from three main sources: goods and service tax ("GST"), accounts receivable and prepaid expenses. These are broken down as follows:

	May 31, 2014	May 31, 2013
GST receivable	\$ 4,821	\$ 4,781
Account receivable	3,245	-
Prepayments	<u>8,587</u>	<u>17,559</u>
Total	\$ 16,653	\$ 22,340

5. EQUIPMENT

	Equipment
Cost	
Balance, May 31, 2012 and May 31, 2013	\$ 7,848
Additions	19,850
Disposals	<u>(7,848)</u>
Balance, May 31, 2014	\$ 19,850
Accumulated amortization	
Balance, May 31, 2012	\$ 6,176
Amortization for the year	<u>1,544</u>
Balance, May 31, 2013	7,720
Amortization for the year	3,161
Disposals	<u>(7,848)</u>
Balance, May 31, 2014	\$ 3,033
Carrying amounts	
As at May 31, 2013	\$ 128
As at May 31, 2014	\$ 16,817

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6. EXPLORATION AND EVALUATION ASSETS

Ontario, Canada Claims	2014			
	Pidgeon Molybdenum	Raney Gold	North Albany	Total Claims
Acquisition costs:				
Balance, beginning of year	\$ 664,099	\$ 57,500	\$ -	\$ 721,599
Additions	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
Balance, end of year	<u>664,099</u>	<u>57,500</u>	<u>90,000</u>	<u>811,599</u>
Exploration costs:				
Balance, beginning of year	1,730,218	351,071	-	2,081,289
Consulting	-	-	1,330	1,330
Dues/fees	254	-	26	280
Equipment/core shack rentals	1,200	-	-	1,200
Geophysics	-	1,000	-	1,000
Lease renewal	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Balance, end of year	<u>1,731,747</u>	<u>352,071</u>	<u>1,356</u>	<u>2,085,174</u>
Total costs	\$ 2,395,846	\$ 409,571	\$ 91,356	\$ 2,896,773

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6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Ontario, Canada Claims	2013			
	Pidgeon Molybdenum	Raney Gold	Other Ontario Claims	Total Claims
Acquisition costs:				
Balance, beginning of year	\$ 664,099	\$ 57,500	\$ 109,875	\$ 831,474
Written-off	-	-	(109,875)	(109,875)
Balance, end of year	<u>664,099</u>	<u>57,500</u>	<u>-</u>	<u>721,599</u>
Exploration costs:				
Balance, beginning of year	1,716,560	347,334	-	2,063,894
Accommodation/food	395	-	-	395
Consulting	5,061	3,737	-	8,798
Dues/fees	885	-	-	885
Equipment/core shack rentals	1,300	-	-	1,300
Geophysical report	4,375	-	-	4,375
Geophysical survey	-	-	7,500	7,500
Office/miscellaneous	484	-	-	484
Mileage/gas	89	-	-	89
Travel	<u>1,069</u>	<u>-</u>	<u>-</u>	<u>1,069</u>
	1,730,218	351,071	7,500	2,088,789
Written-off	-	-	(7,500)	(7,500)
Balance, end of year	<u>1,730,218</u>	<u>351,071</u>	<u>-</u>	<u>2,081,289</u>
Total costs	\$ 2,394,317	\$ 408,571	\$ -	\$ 2,802,888

Title to mineral properties

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

Pidgeon Molybdenum Mines Limited, Ontario, Canada

The Company acquired a 100% interest in certain mining claims located near the city of Dryden, in the Patricia Mining Division of Ontario in consideration for \$664,099. The Company acquired 100% of the outstanding shares of Pidgeon Molybdenum Mines Limited ("PMML") and the claims are PMML's sole asset. The Company is required to make royalty payments totalling \$151,504 upon reaching certain production and profit targets. Certain claims of the property were subject to a 21 year lease that expired during the year ended May 31, 2014. The Company has made the appropriate payments and applications for renewal.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Raney Gold Project, Ontario, Canada

The Company acquired a 100% interest in mineral claims located in the Raney Township, in the Porcupine Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% net smelter royalty ("NSR"). The Company has also staked additional mineral claims to the east and west of the Raney Gold Project.

North Albany Graphite Property, Ontario, Canada

The Company acquired a 100% interest in 16 mineral claims located in the Porcupine Mining Division of Ontario. As consideration the Company made a cash payment of \$15,000 and issued 300,000 shares valued at \$75,000.

Gould, Ontario, Canada

The Company acquired a 100% interest in mineral claims located in the Finan Township, in the Sault Ste. Marie Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property was subject to a 2% NSR.

The Company entered into an option agreement to grant a 100% interest in the property.

The Company amended its option agreement in April 2013 wherein the optionee had acquired the remaining 40% interest, such that it had earned a 100% interest in the property. Pursuant to the terms of the amending agreement, the optionee paid the sum of \$250,000 to the Company in lieu of the remaining first option and second option consideration. The Company received an option payment in the amount of \$20,000 in fiscal 2013 which was shown as an option payment received in excess of costs on the consolidated statements of loss and comprehensive loss. The Company has retained a 2% net smelter return in the property.

The optionee has earned its 100% interest in the property. The Company recorded a gain of \$250,000 on disposition of the property.

Echo Township, Patricia Mining Division, Ontario, Canada

The Company earned a 100% interest in mineral claims located in Echo Township, in the Patricia Mining Division of Ontario. As consideration, the Company paid \$95,000 and issued 12,500 shares valued at \$14,875. The property is subject to a 2% NSR of which the Company has the right to purchase 1.25% for \$1,000,000. The Company has also staked certain additional claims in the area.

Due to delay in the development of the property, the Company wrote-off the carrying value of \$109,875 during fiscal 2013.

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6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Shining Gold, Ontario, Canada

The Company acquired a 100% interest in a mineral claim located in the Asquith Township, in the Larder Lake Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% NSR.

Due to delay in the development of the property, the Company wrote-off the carrying value of \$57,500 during fiscal 2011.

During fiscal 2013, the Company incurred additional exploration expenditures of \$7,500 on the property, which were charged to operations.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	May 31, 2014	May 31, 2013
Trade payables	\$ 1,980	\$ 1,362
Accrued liabilities	<u>20,000</u>	<u>22,000</u>
Total	<u>\$ 21,980</u>	<u>\$ 23,362</u>

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

8. CAPITAL STOCK AND RESERVES

Authorized capital stock

Unlimited number of common shares without par value

Private placements

During fiscal 2014 or 2013, the Company did not participate in any private placements.

Shares held in escrow

At May 31, 2014, there were no shares held in escrow.

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9. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, May 31, 2012	3,298,850	\$ 1.36	237,808	\$ 1.29
Expired	(1,176,350)	2.00	(86,408)	1.31
Outstanding and exercisable, May 31, 2013	2,122,500	1.00	151,400	1.28
Expired/cancelled	(2,122,500)	1.00	(151,400)	1.28
Outstanding and exercisable, May 31, 2014	-	\$ -	-	\$ -

During fiscal 2014 and 2013, the Company did not grant any incentive stock options to consultants, officers and directors of the Company.

10. RELATED PARTY TRANSACTIONS

Key management compensation

The Company paid or accrued the following to directors, executive officers and officers of the Company:

	2014	2013
Consulting fees	\$ 30,000	\$ 30,000
Wages	17,416	8,747
	\$ 47,416	\$ 38,747

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10. RELATED PARTY TRANSACTIONS (cont'd...)

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of \$36,780 (2013 - \$17,911) representing 15% of the costs incurred.

Included in prepaid expenses at May 31, 2014 is \$7,939 (May 31, 2013 - \$15,223) due from the private company.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2014	2013
Loss before taxes	\$ (410,958)	\$ (106,667)
Expected income tax recovery at statutory tax rates	\$ (107,000)	\$ (27,000)
Impact of future income tax rate applied versus current statutory rate	(1,000)	(56,000)
Change in unrecognized deductible temporary difference	107,000	129,000
Non-deductible expenditures and other	1,000	(46,000)
Net deferred tax expense	\$ -	\$ -

The Company has the following deferred tax assets for which no benefit has been recognized as they may not be used to offset profits elsewhere in the group and they have arisen in companies that have a history of losses.

The significant components of the Company's deferred tax assets are as follows:

	2014	2013
Exploration and evaluation assets	\$ 712,000	\$ 719,000
Non-capital losses available for future periods	887,000	772,000
Allowable capital losses	9,000	9,000
Share issue costs	2,000	5,000
Capital assets	3,000	2,000
	1,613,000	1,507,000
Unrecognized deferred tax assets	(1,613,000)	(1,507,000)
Net deferred tax assets	\$ -	\$ -

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11. INCOME TAXES (cont'd...)

Tax attributes are subject to review and potential adjustments by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statement of financial position are as follows:

	2014	Expiry dates	2013
Exploration and evaluation assets	\$ 2,365,000	No expiry date	\$ 2,393,000
Non-capital losses available for future periods	3,412,000	2015 to 2034	2,971,000
Allowable capital losses	35,000	No expiry date	35,000
Share issue costs	8,000	2034 to 2037	19,000
Investment tax credit	132,000	2020 to 2033	131,000
Capital assets	<u>11,000</u>	No expiry date	<u>8,000</u>
	\$ 5,963,000		\$ 5,557,000

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2014	2013
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -
Cash and short term investments:		
Cash balances	\$ 43,723	\$ 35,046
Guaranteed investment certificates	-	450,000
Guaranteed investment certificate – accrued interest	<u>-</u>	<u>904</u>
	\$ 43,723	\$ 485,950

Significant non-cash transactions during fiscal 2014 included:

- a) the issuance of 300,000 common shares valued at \$75,000 for acquisition of an exploration and evaluation asset

There were no significant non-cash transactions during fiscal 2013.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash and short-term investments are carried at fair value using a Level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, short-term investments and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash and short-term investments are held with reputable financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2014, the Company had a cash and short-term investment balance of \$43,723 (May 31, 2013 - \$485,950) to settle current liabilities of \$21,980 (May 31, 2013 - \$23,362). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates with Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The impact of a 1% change in interest rates would not have a significant effect on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However management believes the risk is not currently significant as none of the Company's assets and none of its liabilities as at May 31, 2014 are denominated in United States Dollars.

MPH VENTURES CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

MAY 31, 2014

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**Financial risk factors (cont'd...)****(c) Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. SUBSEQUENT EVENT

Subsequent to May 31, 2014, the Company issued 5,985,000 units at \$0.05 per unit for gross proceeds of \$299,250. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.07 per share for a period of two years expiring July 31, 2016. Finders' fees of \$9,048 cash and 180,950 agents' warrants were paid and issued.

MPH VENTURES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED – MAY 31, 2014

This Management Discussion and Analysis (“MD&A”) of MPH Ventures Corp. (the “Company”) provides an analysis of the Company’s financial results for the year ended May 31, 2014. The following information should be read in conjunction with the accompanying audited consolidated financial statements and the notes to the audited consolidated financial statements.

The Company reports in accordance with International Financial Reporting Standards (“IFRS”) and the following disclosure, and associated audited consolidated financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Forward-Looking Information and Date of Report

September 10, 2014

This MD&A contains certain forward-looking information. All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitations and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company’s continuous disclosure filings that are available under the Company’s profile at www.sedar.com.

Share Consolidation

Subsequent to the year end, effective at market opening on June 4, 2014, the Company underwent a share consolidation issuing one new common share for every ten issued and outstanding old common shares. The issued and outstanding capital of the Company became 8,082,487 post-consolidation. All common share and per share data included herein have been adjusted to reflect the one for ten consolidation as if it had occurred at the beginning of the years reflected.

Overall Performance

Nature of Business and Overall Performance

MPH Ventures Corp. is a public company listed on the TSX Venture Exchange under the symbol “MPS”. The Company is primarily a junior exploration company. Activities include the process of exploring its mineral properties, reviewing and subsequently acquiring potential new mineral properties and conducting exploration programs to determine whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

Mineral Properties

Pidgeon Molybdenum Mines Limited ("PMML") - Ontario, Canada

On July 26, 2007, the Company entered into a formal agreement and two amendments, with Rio Algom Limited, a wholly-owned subsidiary of BHP Billiton Ltd., and with Goldcorp Inc., for the acquisition by the Company of a 93.45% of the outstanding shares of Pidgeon Molybdenum Mines Limited ("PMML").

Under the terms of the amended agreements, the Company agreed to purchase all existing shares held by BHP Billiton and Goldcorp for the sums of \$353,290 and \$103,216 respectively. The Company also agreed to make a payment of \$93,493 to BHP Billiton in respect of existing debt owed by PMML to Rio Algom. PMML holds a 100% interest in 210 hectares of mining claims under the name "Pidgeon Molybdenum Deposit". The Pidgeon Molybdenum Deposit is accessible through the #1 Trans-Canada Highway and is approximately 50 kilometres east from the city of Dryden, in the Patricia Mining Division of Ontario. The Company is required to make royalty payments totaling \$151,504 upon reaching certain production and profit targets.

The minority shares have now been effectively cancelled and as a result the company owns 100% of PMML and its patented claims that comprise the Pidgeon Molybdenum Deposit. The Company will hold the project in good standing until such a time as market conditions and base metal commodity prices improve.

September 13, 2012 - MPH Ventures Files Updated NI 43-101 Resource Estimate on Pidgeon Molybdenum Project, NW Ontario

The Company announced that it had filed a National Instrument 43-101 ("NI 43-101") Technical Report for its 3,420 acre Pidgeon Molybdenum Project.

The independent technical report, entitled "Pidgeon Molybdenum Project National Instrument 43-101 Compliant Technical Report" (the "Technical Report") and dated July 05, 2012 was prepared for MPH by Cliff Duke, P.Eng. of Riverbend Geological Services Inc. ("Riverbend") of Beausejour, Manitoba. The Technical Report is available under MPH's profile on SEDAR at www.sedar.com and the full report is available on the Company's website at

<http://www.mphventurescorp.com/i/pdf/Pidgeon-NI-43-101.pdf> and
http://www.mphventurescorp.com/i/pdf/Pidgeon-App_A-07-12.pdf

The updated NI 43-101 report estimated the resource of the Pidgeon Molybdenum deposit to contain 2.66 million tonnes of 0.117% Mo (6,856,000 lbs. Mo) in the Indicated resource classification and 12.39 million tonnes of 0.083% Mo (22,658,000 lbs. Mo) in the Inferred resource classification, both at a cutoff grade of 0.04% Mo.

The Technical Report also states that the Pidgeon deposit has the potential to be a large tonnage, low grade molybdenite deposit amenable to open pit mining methods. The deposit is open at both the west and east ends, as well as at depth. In addition, Riverbend noted the presence of molybdenite in a 1966 Rio Tinto drill hole, some 1.5 kilometres east of Lateral Lake. The west lens of the deposit was not tested in the most recent drill programs. The report recommends that MPH spend an additional \$444,000 to drill 20 additional holes to test the west lens, and extend the limits of the deposit at both the east and west ends. If the results of this drilling are favourable, the Technical Report recommends a second phase of drilling consisting of 60 diamond drill holes to better define grade continuity at an estimated cost of \$1,350,000. The Company has been evaluating the Pidgeon Molybdenum Project as well as its other exploration properties and will make a decision on the direction the Company pursues with regards to its next round of exploration.

Pidgeon Molybdenum Mines Ltd. (PMML), a wholly owned subsidiary of MPH Ventures Corp., holds a 100% interest in a contiguous group of 13 mineral claims under a mining lease and 3 additional patented claims attached to the lease. The Company also owns 100% of four mineral claims, acquired by staking, and a 100% interest in 10 additional claims, acquired pursuant to an option agreement. Both groupings surround the mining lease and collectively these land positions make up the property.

MPH Ventures' primary asset is the 3,420 acres Pidgeon Molybdenum Deposit located in Northwestern Ontario which was acquired from BHP Billiton and Goldcorp with a significant NI 43-101 molybdenum resource. The Company has completed two drill programs to date totaling approximately 100 drill holes. The project is accessible year round and, when commodity prices permit, development plans include increasing the resource base which remains open in all directions, conducting regional exploration and carrying out metallurgical testing for recovery of molybdenum and by-products.

Pidgeon Molybdenum Deposit Location Map:

http://www.mphventurescorp.com/s/Image.asp?i=maps/MPS-ON-Pidgeon-Fig_41.gif

Qualified Person:

The Technical Report was prepared by Cliff Duke, P. Eng. of Riverbend Geological Services Inc. in accordance with National Instrument 43-101. Cliff Duke is a "Qualified Person" as defined by NI 43-101.

The Technical Report and mineral resource estimate was reviewed by Robert Marvin, P. Geo., CPG, who is a "Qualified Person" according to the definitions of NI 43-101. Bob has supervised and reviewed the preparation of the technical information and data included in this news release.

Raney Gold Project, Ontario, Canada

In May 2009, the Company acquired a 100% interest in six mineral claims consisting of 14 units (224 hectares) located in the Raney Township, in the Porcupine Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% NSR. Two additional claims were also acquired for a \$7,200 cash payment. These two claims were written-off during fiscal 2010 as they were cancelled.

The Company staked an additional six mineral claims consisting of 74 units (1,152 hectares) located to the east and west of the Raney Gold Project.

The Company has incurred \$352,071 in exploration expenditures to May 31, 2014.

November 27, 2012 - MPH Ventures Files NI 43-101 Technical Report on the Raney Gold Property, Ontario

The Company filed a National Instrument 43-101 ("NI-43-101") Technical Report for its 1,408 hectare Raney Township Gold Property located in northern Ontario, Canada, approximately 110 km southwest of the city of Timmins, on the eastern side of Raney Lake.

The independent technical report, entitled "Technical Report on the Raney Township Gold Property, Raney Township, Porcupine Mining District, Ontario Canada" (the "Technical Report") and dated November 15, 2012 was prepared for the Company by Karen Kettles, Msc., P. Geo. of Sudbury, Ontario.

The Technical Report is available under MPH's profile on SEDAR at www.sedar.com and the full report is available on the Company's website at <http://www.mphventurescorp.com>.

The Company holds a 100% interest, subject to a 2% net smelter return royalty, in a contiguous group of twelve unpatented mining claims totaling 1,408 hectares and 88 claim units. Raney location map:

Raney Gold Project (Timmins, Ontario) Location Map

http://www.mphventurescorp.com/s/Image.asp?i=maps/MPS_Raney_Location_Map.jpg

Work to date by the Company consisted of trenching and sampling, induced polarization (IP) surveys, followed by drilling on the Property during the winter of 2009 and 2010. The only known gold occurrence on the Company's Property is the Raney Gold Occurrence, which is the focus of the report. MPH Ventures completed four separate phases of drilling on the Raney Project totaling 2,151 metres of drilling in fourteen holes.

The Report recommends a two phase exploration program to further evaluate the Raney Township Gold property. The proposed budget for both phases is \$406,725.

Qualified Person:

The Technical Report was prepared by Karen Kettles, M.Sc., P.Geo, in accordance with National Instrument 43-101. Karen Kettles is a "Qualified Person" as defined by NI 43-101.

The Technical Report was reviewed by Robert Marvin, P.Geo, CPG, who is a "Qualified Person" according to the definitions of NI 43-101. Mr. Marvin has reviewed the preparation of the technical information and data included in this news release.

Work by MPH Ventures Ltd. in 2009 and 2010 consisted of trenching and sampling, Induced Polarization (IP) surveys, followed by drilling over the Raney Township Gold Property during the winter of 2009 and 2010. The trenching centered over the main Raney showing, out of 31 samples the average value was 0.51 g/t Au.

The IP survey indicated several targets near surface; these were tested by drilling in three of the holes in the drill program. MPH Ventures completed four separate phases of drilling on the Raney Project between early 2009 and early 2010. In 2009, three phases of drilling were completed, totaling 1,506 metres of drilling in nine holes. In 2010, a total of 645 m were completed in five holes during one phase of drilling.

The 2009-2010 drilling suggests that there are two to three parallel closely spaced zones of gold-mineralized quartz carbonate alteration with quartz veining, sulphides and occasionally visible gold. The drilling to date suggests mineralization is confined to a steeply plunging shoot of gold mineralization over widths of 50 metres strike extent. This zone needs to be tested with further drilling, possibly at 150 m level depth. Any deep drilling should be performed in the winter months.

North Albany Graphite Property, Ontario

The Company has acquired a 100% interest in the North Albany Graphite Property consisting of 16 mineral claim units covering approximately 256 hectares located within the Porcupine Mining Division of northern Ontario, contiguous to the north of Zenyatta Ventures Ltd.'s (TSX-V: ZEN) Albany (vein type) graphite deposit discovery.

In consideration for the North Albany Graphite Property, MPH Ventures paid \$15,000 and issued 300,000 common shares (valued at \$75,000) in the capital of the Company to arm's-length vendors. Zenyatta recently announced intervals of 146 metres of 5.2 per cent graphite, 177 metres of 5.3 per cent graphite, 186 metres of 4.9 per cent graphite and 125 metres of 4.6 per cent graphite, respectively (see Zenyatta Ventures news release dated July 2, 2013).

The Company has incurred \$1,356 in exploration expenditures to May 31, 2014.

Echo Township, Ontario, Canada

The Company entered into an option agreement with Rubicon Minerals Corp., of Vancouver B.C. and Mr. Perry English, wherein the Company has been granted an option to acquire a 100% interest in 10 unpatented mineral claims consisting of 59 units located in the Echo Township, Patricia Mining Division, northwestern Ontario.

Pursuant to the terms of the Agreement, the Company will pay the sum of \$95,000 and issue 12,500 shares to Rubicon over the four year term of the agreement. The Property is subject to a 2% net smelter return royalty ("NSR"). The Company has been granted an option to acquire 1.25% of the NSR for \$1,000,000. The Company paid the total of \$95,000 and issued 12,500 common shares valued at \$14,875 to May 31, 2013. The Company has earned its 100% interest, subject to a 2% net smelter return royalty, in its Echo Township.

The Company has also staked four claim blocks consisting of 13 units located in the Echo Township, Patricia Mining Division in north-western Ontario. The claims are located adjacent east of the Company's Pidgeon Molybdenum Deposit and Echo Township claims noted above.

The acquisition of these claims through option and staking has allowed the Company to create a buffer zone around its Pidgeon Molybdenum Deposit.

Due to delay in the development of the property, the Company wrote-off the carrying value of \$109,875 during fiscal 2013.

Selected Annual Information

		Years Ended May 31 (audited)		
	Fiscal year	2014	2013	2012
(a)	Revenue - interest	\$ 2,932	\$ 4,249	\$ 5,950
(b)	Loss for the year	\$ (410,958)	\$ (106,667)	\$ (248,256)
(c)	Loss per share: Basic	\$ (0.05)	\$ (0.01)	\$ (0.03)
	Fully Diluted	\$ (0.05)	\$ (0.01)	\$ (0.03)
(d)	Total Assets	\$ 2,973,966	\$ 3,311,306	\$ 3,423,017
(e)	Long Term Debt	\$ -	\$ -	\$ -
(f)	Total Exploration Expenditures	\$ 3,885	\$ 24,895	\$ 12,017

During the 2012 to 2014 fiscal years, the Company received interest income on cash. The interest amounts earned fluctuate with changing amounts on deposit and with changing interest rates. These interest amounts are, in any event, not material, and are merely used to offset administrative operating expenses. The fluctuation in such income over the three years mainly reflects the increase or decrease in amounts held on deposit during that year.

May 31, 2014 Compared With May 31, 2013

Private Placements

During fiscal 2014 or 2013, the Company did not participate in any private placements.

Operations

The Company's loss for the year ended May 31, 2014 was \$410,958 or a \$0.05 loss per share, compared to a loss in fiscal 2013 of \$106,667, or a \$0.01 loss per share, an increase of \$304,291.

The Company recorded a gain of \$250,000 on disposition of the Gould, Ontario property in fiscal 2013. Without this gain, the Company would have had a loss in fiscal 2013 of \$356,667 or a loss of \$0.05 per share. The increase in fiscal 2014 would have been \$54,291, an increase of 15.2% from fiscal 2013.

The Company wrote-off \$nil in exploration and evaluation assets in the current year (2013 – total \$117,375; Echo Township, Ontario - \$109,875 and Shining Gold, Ontario - \$7,500). The Company's total expenses of \$413,890 in the current year, increased from those in fiscal 2013, \$267,463 by \$146,427 or 54.8%. Every general and administrative expense category increased as compared with those in fiscal year 2013.

There was an increase in overall corporate activity. The Company entered into a purchase agreement to acquire a 100% interest in the North Albany Property consisting of 16 mineral claim units in the Porcupine Mining Division of central Ontario.

The Company did not grant any stock options in fiscal 2014 or 2013, and consequently there was no share-based compensation expense.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of \$3,885 in fiscal 2014 and \$24,895 in fiscal 2013. (see table below)

Exploration and Evaluation Assets	Exploration Expenditures Incurred	
	May 31, 2014	May 31, 2013
Ontario, Canada		
North Albany Graphite	\$ 1,356	\$ -
Pidgeon Molybdenum Mines Limited	1,529	13,658
Raney Gold Project	1,000	3,737
Shining Gold	<u>-</u>	<u>7,500</u>
Total	\$ 3,885	\$ 24,895

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and charged an administration fee of \$36,780 (2013 - \$17,911) representing 15% of the costs incurred.

May 31, 2013 Compared With May 31, 2012

Private Placements

During fiscal 2013 or 2012, the Company did not participate in any private placements.

Operations

The Company's loss for the year ended May 31, 2013 was \$106,667 or a \$0.01 loss per share, compared to a loss in fiscal 2012 of \$248,256, or a \$0.03 loss per share, a decrease of \$141,589.

The Company wrote-off \$117,375 in exploration and evaluation assets, Echo Township, Ontario - \$109,875 and Shining Gold, Ontario - \$7,500 during the current year.

The Company amended its Gould, Ontario option agreement (second amendment) in April 2013 wherein the optionee (Argonaut Gold Inc.) has acquired the remaining 40% interest, such that it will have earned a 100% interest in the property. Pursuant to the terms of the amending agreement, the optionee has paid the sum of \$250,000 to the Company in lieu of the remaining first option and second option consideration. The Company has retained a 2% net smelter return in the property. The Company recorded a gain of \$250,000 on disposition of the property. Without this gain, the Company would have had a loss for fiscal 2013 of \$356,667 or a loss of \$0.05 per share.

The Company's total expenses of \$267,463 for the year ended May 31, 2013, increased from those in fiscal 2012 (\$223,063) by \$44,400 or 19.9%. Most general and administrative expense categories increased as compared with those in fiscal year 2012. There was an increase in overall corporate activity.

Exploration expenditures, as well, increased slightly on the Company's mineral properties. There was no stock-based compensation expense, a non-cash expense, as no stock options were granted in 2013 or 2012.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of \$24,895 in fiscal 2013 and \$12,017 in fiscal 2012. (see table below)

Exploration and Evaluation Assets	Exploration Expenditures Incurred	
	May 31, 2013	May 31, 2012
Ontario, Canada		
Pidgeon Molybdenum Mines Limited	\$ 13,658	\$ 11,965
Raney Gold Project	3,737	52
Shining Gold	<u>7,500</u>	<u>-</u>
Total	\$ 24,895	\$ 12,017

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and charged an administration fee of \$17,911 (2012 - \$10,651) representing 15% of the costs incurred.

Summary of Quarterly Results

	Quarter	May 31, 2014 4th (3 months)	February 28, 2014 3rd (3 months)	November 30, 2013 2nd (3 months)	August 31, 2012 1st (3 months)
(a)	Revenue – interest	\$ 170	\$ 561	\$ 875	\$ 1,326
(b)	Net income (loss)	\$ (122,106)	\$ (90,784)	\$ (110,225)	\$ (87,843)
(c)	Net income (loss) per share:				
	Basic -	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)
	Fully Diluted -	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

-- continued --

	Quarter	May 31, 2013 4th (3 months)	February 28, 2013 3rd (3 months)	November 30, 2012 2nd (3 months)	August 31, 2012 1st (3 months)
(a)	Revenue – interest	\$ 1,027	\$ 976	\$ 1,117	\$ 1,129
(b)	Net income (loss)	\$ 38,357	\$ (39,723)	\$ (79,692)	\$ (25,609)
(c)	Net income (loss) per share:				
	Basic -	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.01)
	Fully Diluted -	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.01)

Results of Operations for the Three Months Ended May 31, 2014

The Company is in the exploration and development stage and does not generate any revenue other than minor interest income.

For the three months ended May 31, 2014 the Company reported a loss of \$122,106 or a \$0.02 loss per share. Comparatively, the income in 2013 for the same quarter was \$38,357 or an income of \$0.01 per share. The Company's general and administrative expenses of \$122,275 (2013 - \$95,296) increased by \$26,979 compared to the same quarter in the previous year.

The Company reported an income in the three month period ended May 31, 2013 as a result of the \$250,000 gain on disposition of the Gould, Ontario property. Without this gain, the Company would have had a loss of \$211,643 in that period.

The Company's share of expenses charged by the management company in the current quarter increased. There was an increase in overall corporate activity. The Company entered into a purchase agreement to acquire a 100% interest in the North Albany Property consisting of 16 mineral claim units in the Porcupine Mining Division of central Ontario.

Most of the general and administrative expense category increased as compared to the same quarter in 2013. Expenses such as professional fees, shareholder communications and transfer agent and filing fees, may vary quarter to quarter as the quarter in which they occur may vary from one year to another. There was no share-based compensation expense, a non-cash expense, as no stock options were granted in the current quarter or the same quarter in 2013.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

Results of Operations for the Year Ended May 31, 2014

The Company is in the exploration and development stage and does not generate any revenue other than minor interest income.

For the year ended May 31, 2014 the Company reported a loss of \$410,958 or a \$0.05 loss per share. Comparatively, the loss in 2013 was \$106,667 or a \$0.01 loss per share. The Company's general and administrative expenses of \$413,890 (2013 - \$267,463) increased by \$146,427 compared to the previous year.

The Company's share of expenses charged by the management company in the current period increased. There was an increase in overall corporate activity. The Company entered into a purchase agreement to acquire a 100% interest in the North Albany, Ontario property.

Every general and administrative expense category increased as compared to 2013. Expenses such as professional fees, shareholder communications and transfer agent and filing fees, may vary from one year to another. If the Company has private placements or property agreements the professional fees and transfer agent fees increase. Shareholder communications increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation. There was no share-based compensation expense, a non-cash expense, as the Company did not grant any stock options in fiscal 2014 or 2013.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

Liquidity and Capital Resources

At May 31, 2014, the Company had cash of \$43,723 (May 31, 2013 - \$35,046) and short-term investments of \$Nil (May 31, 2013 - \$450,904). The Company's capital needs are usually met by equity subscriptions which were \$Nil in the year ended May 31, 2014 (May 31, 2013 - \$Nil).

Working capital was \$38,396 at May 31, 2014 compared to \$484,928 at May 31, 2013.

The Company's cash position at May 31, 2013 was \$35,046. As a result of expenditures incurred during the current year for general business expenses; \$18,885 incurred in exploration and evaluation asset expenditures; \$19,850 incurred for the acquisition of equipment with respect to the office relocation, the decrease in short-term investments of \$453,836, in receivables and prepaid expenses of \$5,687 and in accounts payable and accrued liabilities of \$1,382; the Company's cash position at May 31, 2014 was \$43,723.

The Company has historically met all cash requirements for operation by equity financing. Future funding needs of the Company are dependent upon the Company's continued ability to obtain equity and/or debt financing to meet its financial obligations and to pursue further exploration on its properties.

In management's view, given the nature of the Company's operations, which consist of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its property interests. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced.

Off-Balance Sheet Arrangements

At May 31, 2014 the Company did not have any off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

All amounts either due from or due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company paid or accrued the following to directors, executive officers and officers of the Company:

	May 31, 2014	May 31, 2013
Consulting fees	\$ 30,000	\$ 30,000
Wages	<u>17,416</u>	<u>8,747</u>
	<u>\$ 47,416</u>	<u>\$ 38,747</u>

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and was charged an administration fee of \$36,780 (2013 - \$17,911) representing 15% of the costs incurred.

Included in prepaid expenses at May 31, 2014 is \$7,939 (May 31, 2013 - \$15,223) due from the private company.

Subsequent Events

Private Placement

The Company closed a non-brokered private placement on July 31, 2014 and has issued 5,985,000 units at a deemed price of \$0.05 per unit for gross proceeds of \$299,250. Each unit consists of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.07 per share for a period of two years expiring on July 31, 2016. Shares issued in connection with this private placement including any shares issued as a result of the exercise of any warrants will be subject to a four month hold period expiring December 1, 2014. Aggregate finder's fees of \$9,047.50 cash and 180,950 agents' warrants have been paid in connection with this offering. The agent warrant is subject to the same terms and conditions as the subscriber warrant.

The proceeds from this private placement will be utilized for new property investigation and for general working capital purposes.

Financial Instruments and Other Risks

The Company's financial instruments consist of cash and short-term investments, receivables and accounts payable and accrued liabilities.

The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

In conducting business, the principal risks and uncertainties faced by the Company center on exploration and development and metal prices and market sentiment. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure or easy access. The prices of metals fluctuate and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies.

The Company relies on equity financing for its working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

The Company's business is highly uncertain and risky by its very nature. The two most significant risks for the Company are:

- 1) The chances of finding an economic ore body are extremely small;
- 2) The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them. Other risk factors include the establishment of undisputed title to mineral properties, environmental concerns and the obtaining of governmental permits and licenses when required.

Success is totally dependent upon the knowledge and expertise of management and employees and their ability to identify and advance attractive exploration projects and targets from grass roots to more advanced stages.

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Even if an ore body is discovered, there is no assurance that it will ever reach production. While it is impossible to eliminate all of the risks associated with exploration and mining, it is management's intention to manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased shareholder value.

Additional Information

- Additional information with respect to the Company is also available on the Company's website at www.mphventurescorp.com and also on SEDAR at www.sedar.com

New accounting standards and interpretations

IAS 1, "Presentation of Financial Statements" to which the IASB issued amendments in June 2011, to: (a) require companies to group together items within other comprehensive income (loss) ("OCI") that may be reclassified to the statement of loss; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The amended standard became effective during the current year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 10, "Consolidated Financial Statements", requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "Consolidation - Special Purpose Entities", and parts of IAS 27, "Consolidated and Separate Financial Statements". The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers". The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 12, "Disclosure of Interests in Other Entities", establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The new converged fair value framework became effective during the year ended May 31, 2014. This standard is not considered to have an impact on the Company in its current form.

New accounting standards and interpretations not yet adopted

IFRS 9, "Financial Instruments", published by the IASB in November 2009, which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is indefinitely postponed. Early adoption is permitted and the standard is required to be applied retrospectively.

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of the consolidated financial statements and the MD&A.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Share Capital

As at the report date of September 10, 2014 the following were outstanding:

Share capital – issued and outstanding	14,067,487
Options	Nil
Warrants	6,165,950
Shares held in escrow	Nil

MPH VENTURES CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED MAY 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
MPH Ventures Corp.

We have audited the accompanying consolidated financial statements of MPH Ventures Corp., which comprise the consolidated statements of financial position as at May 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of MPH Ventures Corp. as at May 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of MPH Ventures Corp. to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

August 21, 2015

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	May 31, 2015	May 31, 2014
ASSETS		
Current		
Cash	\$ 7,633	\$ 43,723
Receivables and prepaid expenses (Note 4)	<u>17,373</u>	<u>16,653</u>
	25,006	60,376
Equipment (Note 5)	13,509	16,817
Exploration and evaluation assets (Note 6)	<u>2,807,442</u>	<u>2,896,773</u>
	<u>\$ 2,845,957</u>	<u>\$ 2,973,966</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	<u>\$ 78,979</u>	<u>\$ 21,980</u>
Shareholders' equity		
Capital stock (Note 8)	14,431,174	14,155,148
Reserves (Note 8)	1,172,383	1,090,133
Deficit	<u>(12,836,579)</u>	<u>(12,293,295)</u>
	<u>2,766,978</u>	<u>2,951,986</u>
	<u>\$ 2,845,957</u>	<u>\$ 2,973,966</u>

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

Approved and authorized for issue by the Board of Directors on August 21, 2015:

"Don Huston" Director "Jim Pettit" Director

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

MPH VENTURES CORP.,
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
YEAR ENDED MAY 31

	2015	2014
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative	\$ 101,700	\$ 115,065
Amortization (Note 5)	3,308	3,161
Consulting fees	32,499	34,277
Office and miscellaneous	28,834	35,244
Professional fees	78,373	71,562
Property investigation	-	836
Rent	27,268	25,842
Share-based compensation (Note 9)	70,325	-
Shareholder communications	78,684	95,868
Telephone	3,145	3,942
Transfer agent and filing fees	15,472	20,436
Travel	12,777	7,657
	<u>(452,385)</u>	<u>(413,890)</u>
OTHER ITEMS		
Interest income	457	2,932
Write-off of exploration and evaluation asset (Note 6)	<u>(91,356)</u>	<u>-</u>
	<u>(90,899)</u>	<u>2,932</u>
Loss and comprehensive loss for the year	\$ (543,284)	\$ (410,958)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.05)
Weighted average number of common shares outstanding	13,067,254	8,021,680

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

MPH VENTURES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
YEAR ENDED MAY 31

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (543,284)	\$ (410,958)
Items not affecting cash:		
Amortization	3,308	3,161
Share-based compensation	70,325	-
Write-off of exploration and evaluation asset	91,356	-
Accrued interest income	-	(2,932)
Changes in non-cash working capital items:		
(Increase) decrease in receivables and prepaid expenses	(720)	5,687
Increase (decrease) in accounts payable and accrued liabilities	56,999	(1,382)
Net cash flows used in operating activities	(322,016)	(406,424)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(2,025)	(18,885)
Equipment	-	(19,850)
Net sale of short-term investments	-	453,836
Net cash flows provided by (used in) investing activities	(2,025)	415,101
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of capital stock	299,250	-
Share issuance costs	(11,299)	-
Net cash flows provided by financing activities	287,951	-
Increase (decrease) in cash during the year	(36,090)	8,677
Cash, beginning of year	43,723	35,046
Cash, end of year	\$ 7,633	\$ 43,723

Supplemental disclosures with respect to cash flows (Note 12)

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

MPH VENTURES CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

Capital Stock					
	Number	Amount	Reserves	Deficit	Total
Balance, as at May 31, 2013	7,782,487	\$14,080,148	\$ 1,090,133	\$(11,882,337)	\$ 3,287,944
Shares issued for exploration and evaluation assets	300,000	75,000	-	-	75,000
Loss for the year	-	-	-	(410,958)	(410,958)
Balance, as at May 31, 2014	8,082,487	\$14,155,148	\$ 1,090,133	\$(12,293,295)	\$ 2,951,986
Balance, as at May 31, 2014	8,082,487	\$14,155,148	\$ 1,090,133	\$(12,293,295)	\$ 2,951,986
Private placement	5,985,000	299,250	-	-	299,250
Share issuance costs - cash	-	(11,299)	-	-	(11,299)
Share issuance costs - warrants	-	(11,925)	11,925	-	-
Share-based compensation	-	-	70,325	-	70,325
Loss for the year	-	-	-	(543,284)	(543,284)
Balance, as at May 31, 2015	14,067,487	\$14,431,174	\$ 1,172,383	\$(12,836,579)	\$ 2,766,978

On June 4, 2014, the Company underwent a share consolidation issuing one new common share for every ten issued and outstanding old common shares. All common share, stock option, warrant and per share data included herein have been adjusted to reflect the one for ten consolidation as if it had occurred at the beginning of the years reflected.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

MPH Ventures Corp. (the "Company") is incorporated under the laws of British Columbia, Canada, and is an exploration stage company in the business of acquiring and exploring resource properties. During the year ended May 31, 2015 all of the Company's operations were in Canada and all of the Company's capital assets are located in Canada as at May 31, 2015 and May 31, 2014.

The Company together with its subsidiaries (collectively referred to as the "Company") is principally engaged in acquisition and exploration of resource properties.

On June 4, 2014, the Company's shares commenced trading on a 1-new-for-10-old consolidated basis. All common shares, share purchase warrants, stock options and per share amounts have been retroactively restated to conform with this presentation.

The head office and records office of the Company are located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's financial statements and those of its wholly-owned subsidiary ("consolidated financial statements") are presented in Canadian dollars.

The Company is an exploration stage company that is engaged principally in the acquisition and exploration of its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred operating losses over the past several fiscal years, has no source of operating cash flow, and no assurances that adequate financing will be available to conduct further exploration and development of its mineral property projects. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete the exploration and development of its mineral projects as well as funding ongoing administration expenses by issuance of share capital or through joint ventures, and to realize proceeds from the disposition of its mineral interests or commence profitable operations in the future. There can be no assurance that management's future financing efforts will be successful. The availability of financing is affected by the state of debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the results of operations and the statement of financial position classifications used and such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance and Conversion to International Financial Reporting Standards ("IFRS")

These consolidated financial statements, including comparatives have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.
- iv) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Significant inter-company transactions and balances have been eliminated on consolidation.

Name of Subsidiary	% ownership	Place of Incorporation
Pidgeon Molybdenum Mines Limited	100%	Ontario

Functional and presentation currency

The Canadian dollar is the functional currency of the Company and its wholly-owned subsidiary. Accordingly, amounts in these financial statements are expressed in Canadian ("CAD") dollars unless otherwise stated. Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the Canadian dollar are translated using exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Revenue and expense items are translated at the exchange rates in effect at the date of the underlying transaction, except for amortization related to non-monetary assets, which are translated at historical exchange rates. Exchange differences are recognized in the statement of loss and comprehensive loss in the period in which they arise.

Exploration and evaluation assets

Costs related to the acquisition, exploration and development of resource properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Pre-exploration assets are expensed as incurred.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the period received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Equipment and amortization

Equipment is recorded at cost less accumulated amortization. The asset will be amortized on a straight-line basis over six years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year. The Company had no provisions for environmental rehabilitation as at May 31, 2015 and May 31, 2014.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based compensation (cont'd...)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial instruments measured at fair values 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 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;

Level 3 – inputs that are not based on observable market data.

See Note 13 for relevant disclosures.

New standards, interpretations and amendments adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements. Several other new standards and amendments apply for the first time in 2014. However, they are not applicable to the annual financial statements of the Company.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

New standards not yet adopted

IFRS 9, Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet made an assessment of the impact of the amendments.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

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4. RECEIVABLES AND PREPAID EXPENSES

The Company's receivables and prepaid expenses arise from three main sources: goods and service tax ("GST"), accounts receivable and prepaid expenses. These are broken down as follows:

	2015	2014
GST receivable	\$ 4,374	\$ 4,821
Account receivable	-	3,245
Prepayments	<u>12,999</u>	<u>8,587</u>
Total	\$ 17,373	\$ 16,653

5. EQUIPMENT

	Equipment
Cost	
Balance, May 31, 2013	\$ 7,848
Additions	19,850
Disposals	<u>(7,848)</u>
Balance, May 31, 2014 and May 31, 2015	\$ 19,850
Accumulated amortization	
Balance, May 31, 2013	\$ 7,720
Amortization for the year	3,161
Disposals	<u>(7,848)</u>
Balance, May 31, 2014	3,033
Amortization for the year	<u>3,308</u>
Balance May 31, 2015	\$ 6,341
Carrying amounts	
As at May 31, 2014	\$ 16,817
As at May 31, 2015	\$ 13,509

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6. EXPLORATION AND EVALUATION ASSETS

Ontario, Canada Claims	May 31, 2015			
	Pidgeon Molybdenum	Raney Gold	North Albany	Total Claims
Acquisition costs:				
Balance, beginning of year	\$ 664,099	\$ 57,500	\$ 90,000	\$ 811,599
Written-off	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>
Balance, end of year	<u>664,099</u>	<u>57,500</u>	<u>-</u>	<u>721,599</u>
Exploration costs:				
Balance, beginning of year	1,731,747	352,071	1,356	2,085,174
Dues/fees/taxes	193	-	-	193
Equipment/core shack rentals	1,200	-	-	1,200
Lease renewal	<u>632</u>	<u>-</u>	<u>-</u>	<u>632</u>
	1,733,772	352,071	1,356	2,087,199
Written-off	<u>-</u>	<u>-</u>	<u>(1,356)</u>	<u>(1,356)</u>
Balance, end of year	<u>1,733,772</u>	<u>352,071</u>	<u>-</u>	<u>2,085,843</u>
Total costs	\$ 2,397,871	\$ 409,571	\$ -	\$ 2,807,442

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6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Ontario, Canada Claims	May 31, 2014			
	Pidgeon Molybdenum	Raney Gold	North Albany	Total Claims
Acquisition costs:				
Balance, beginning of year	\$ 664,099	\$ 57,500	\$ -	\$ 721,599
Additions	-	-	90,000	90,000
Balance, end of year	<u>664,099</u>	<u>57,500</u>	<u>90,000</u>	<u>811,599</u>
Exploration costs:				
Balance, beginning of year	1,730,218	351,071	-	2,081,289
Consulting	-	-	1,330	1,330
Dues/fees	254	-	26	280
Equipment/core shack rentals	1,200	-	-	1,200
Geophysics	-	1,000	-	1,000
Lease renewal	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Balance, end of year	<u>1,731,747</u>	<u>352,071</u>	<u>1,356</u>	<u>2,085,174</u>
Total costs	\$ 2,395,846	\$ 409,571	\$ 91,356	\$ 2,896,773

Title to mineral properties

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

Pidgeon Molybdenum Mines Limited, Ontario, Canada

The Company acquired a 100% interest in certain mining claims located near the city of Dryden, in the Patricia Mining Division of Ontario in consideration for \$664,099. The Company acquired 100% of the outstanding shares of Pidgeon Molybdenum Mines Limited ("PMML") and the claims are PMML's sole asset. The Company is required to make royalty payments totalling \$151,504 upon reaching certain production and profit targets. Certain claims of the property were subject to a 21 year lease that expired during the year ended May 31, 2014. The Company received acceptance to renew its lease for a further twenty-one years, expiring on September 30, 2034.

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6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Raney Gold Project, Ontario, Canada

The Company acquired a 100% interest in mineral claims located in the Raney Township, in the Porcupine Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% net smelter royalty ("NSR"). The Company has also staked additional mineral claims to the east and west of the Raney Gold Project.

North Albany Graphite Property, Ontario, Canada

The Company acquired a 100% interest in 16 mineral claims located in the Porcupine Mining Division of Ontario. As consideration the Company made a cash payment of \$15,000 and issued 300,000 shares valued at \$75,000.

Due to delay in the development of the property, the Company wrote-off the carrying value of \$91,356 during the current year.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	2015	2014
Trade payables	\$ 61,979	\$ 1,980
Accrued liabilities	17,000	20,000
Total	\$ 78,979	\$ 21,980

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

8. CAPITAL STOCK AND RESERVES

Authorized capital stock

Unlimited number of common shares without par value

Private placements

On July 31, 2014, the Company issued 5,985,000 units at \$0.05 per unit for gross proceeds of \$299,250. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.07 per share for a period of two years expiring July 31, 2016. Finders' fees of \$9,048 in cash and 180,950 agents' warrants (valued at \$11,925) were paid and issued.

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8. CAPITAL STOCK AND RESERVES (cont'd...)

During fiscal 2014, the Company did not participate in any private placements.

Shares held in escrow

At May 31, 2015, there were no shares held in escrow.

9. STOCK OPTIONS AND WARRANTS

The Company has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, May 31, 2013	2,122,500	\$ 1.00	151,400	\$ 1.28
Expired	(2,122,500)	1.00	(151,400)	1.28
Outstanding and exercisable, May 31, 2014	-	-	-	-
Granted	6,165,950	0.07	1,406,669	0.05
Outstanding and exercisable, May 31, 2015	6,165,950	\$ 0.07	1,406,669	\$ 0.05

The following incentive stock options and share purchase warrants were outstanding at May 31, 2015:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	1,406,669	\$ 0.05	October 27, 2019
Warrants:	5,985,000	\$ 0.07	July 31, 2016
	180,950	\$ 0.07	July 31, 2016

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9. STOCK OPTIONS AND WARRANTS (cont'd...)

During fiscal 2014, the Company did not grant any incentive stock options to consultants, officers and directors of the Company.

Share-based compensation

During fiscal 2015, the Company granted 1,406,669 (2014 – Nil) stock options to directors, officers, employees and consultants resulting in share-based payments expense using the Black-Scholes option-pricing model of \$70,325 (2014 - \$Nil). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the current fiscal was \$0.05 (2014 - \$Nil) per option.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2015	2014
Risk-free interest rate	1.5%	-
Expected life	5 years	-
Annualized volatility	343%	-
Estimated forfeiture rate	0.00%	-
Dividend rate	0.00%	-

10. RELATED PARTY TRANSACTIONS

Key management compensation

The Company paid or accrued the following to directors, executive officers and officers of the Company:

	2015	2014
Consulting fees	\$30,000	\$ 30,000
Wages	17,959	17,416
Share-based payments	<u>38,495</u>	<u>-</u>
	\$ 86,454	\$ 47,416

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10. RELATED PARTY TRANSACTIONS (cont'd...)

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of \$37,544 (May 31, 2014 - \$36,780) representing 15% of the costs incurred.

Included in prepaid expenses at May 31, 2015 is \$Nil (May 31, 2014 - \$7,939) due from the private company.

Included in accounts payable and accrued liabilities at May 31, 2015 is \$53,955 (May 31, 2014 - \$Nil) due to the private company.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss before taxes	\$ (543,284)	\$ (410,958)
Expected income tax recovery at statutory tax rates	\$ (141,000)	\$ (107,000)
Impact of future income tax rate applied versus current statutory rate	(4,000)	(1,000)
Change in unrecognized deductible temporary difference	127,000	107,000
Non-deductible expenditures and other	18,000	1,000
Net deferred tax expense	\$ -	\$ -

The Company has the following deferred tax assets for which no benefit has been recognized as they may not be used to offset profits elsewhere in the group and they have arisen in companies that have a history of losses.

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11. INCOME TAXES (cont'd...)

The significant components of the Company's deferred tax assets are as follows:

	2015	2014
Exploration and evaluation assets	\$ 731,000	\$ 712,000
Non-capital losses available for future periods	994,000	887,000
Allowable capital losses	9,000	9,000
Share issue costs	2,000	2,000
Capital assets	4,000	3,000
	1,740,000	1,613,000
Unrecognized deferred tax assets	(1,740,000)	(1,613,000)
Net deferred tax assets	\$ -	\$ -

Tax attributes are subject to review and potential adjustments by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry dates	2014
Exploration and evaluation assets	\$ 2,434,000	No expiry date	\$ 2,365,000
Non-capital losses available for future periods	3,823,000	2015 to 2034	3,412,000
Allowable capital losses	35,000	No expiry date	35,000
Share issue costs	9,000	2034 to 2037	8,000
Investment tax credit	132,000	2020 to 2033	132,000
Capital assets	14,000	No expiry date	11,000
	\$ 6,447,000		\$ 5,963,000

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12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2015	2014
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

During the year ended May 31, 2015, the Company issued 180,950 warrants as finders' fees valued at \$11,925.

During the year ended May 31, 2014 the Company issued 300,000 common shares valued at \$75,000 for acquisition of an exploration and evaluation asset

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, short-term investments and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash and short-term investments are held with reputable financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2015 the Company had a cash balance of \$7,633 (May 31, 2014 - \$43,723) to settle current liabilities of \$78,979 (May 31, 2014 - \$21,980). All of the Company's financial liabilities are subject to normal trade terms.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates with Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The impact of a 1% change in interest rates would not have a significant effect on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However management believes the risk is not currently significant as none of the Company's assets and none of its liabilities as at May 31, 2015 are denominated in United States Dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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14. CAPITAL MANAGEMENT (cont'd...)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. SUBSEQUENT EVENT

The Company entered into an agreement to acquire all the issued and outstanding common shares of Travelucion S.L. ("Travelucion"), a private media company servicing travel to Cuba. The Company will acquire a 20% interest in Travelucion in consideration for 4,000,000 common shares and \$100,000. Prior to closing this transaction, the Company is required to complete a private placement of common shares for proceeds of up to \$600,000. Upon closing the transaction, the Company has the option, for a period of eight months, to acquire the remaining 80% of Travelucion in consideration for the issuance of an additional 16,000,000 common shares. The agreement is subject to regulatory approval.

MPH VENTURES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED – MAY 31, 2015

This Management Discussion and Analysis (“MD&A”) of MPH Ventures Corp. (the “Company”) provides an analysis of the Company’s financial results for the year ended May 31, 2015. The following information should be read in conjunction with the accompanying audited consolidated financial statements and the notes to the audited consolidated financial statements.

The Company reports in accordance with International Financial Reporting Standards (“IFRS”) and the following disclosure, and associated audited consolidated financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Forward-Looking Information and Date of Report

August 21, 2015

This MD&A contains certain forward-looking information. All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitations and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company’s continuous disclosure filings that are available under the Company’s profile at www.sedar.com.

Share Consolidation

Effective at market opening on June 4, 2014, the Company underwent a share consolidation issuing one new common share for every ten issued and outstanding old common shares. The issued and outstanding capital of the Company became 8,082,487 post-consolidation. All common share and per share data included herein have been adjusted to reflect the one for ten consolidation as if it had occurred at the beginning of the periods reflected.

MPH to Acquire 20% of Travelucion S.L.

In the 1st quarter of 2015 the Board of MPH Ventures Corp. decided to look at alternative business opportunities outside the resource space. A company in the fast growing online travel industry was identified. This Company is focused completely on providing travel and booking solutions for travel to Cuba. As it turned out, the timing of the US Governments decision to relax relations with the Cuban Government has made this decision all the more relevant.

In February of 2015 the Company formed an investment advisory board and announced the appointment of two individuals to it. The purpose of this board was to help the Company identify the benefits of this business opportunity. Steve Marshall and Gavin McMillan both have a history of doing business in Cuba.

In May of 2015 the Company announced that it had signed a Letter of Intent which outlined the general terms and conditions of a proposed transaction with the identified company called Travelucion S.L.

Please refer to news releases dated February 18, 2015, February 24, 2015 and May 27, 2015.

Overall Performance

Nature of Business and Overall Performance

MPH Ventures Corp. is a public company listed on the TSX Venture Exchange under the symbol "MPS". The Company is primarily a junior exploration company. Activities include the process of exploring its mineral properties, reviewing and subsequently acquiring potential new mineral properties and conducting exploration programs to determine whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

Mineral Properties

Pidgeon Molybdenum Mines Limited ("PMML") - Ontario, Canada

On July 26, 2007, the Company entered into a formal agreement and two amendments, with Rio Algom Limited, a wholly-owned subsidiary of BHP Billiton Ltd., and with Goldcorp Inc., for the acquisition by the Company of a 93.45% of the outstanding shares of Pidgeon Molybdenum Mines Limited ("PMML").

Under the terms of the amended agreements, the Company agreed to purchase all existing shares held by BHP Billiton and Goldcorp for the sums of \$353,290 and \$103,216 respectively. The Company also agreed to make a payment of \$93,493 to BHP Billiton in respect of existing debt owed by PMML to Rio Algom. PMML holds a 100% interest in 210 hectares of mining claims under the name "Pidgeon Molybdenum Deposit". The Pidgeon Molybdenum Deposit is accessible through the #1 Trans-Canada Highway and is approximately 50 kilometres east from the city of Dryden, in the Patricia Mining Division of Ontario. The Company is required to make royalty payments totaling \$151,504 upon reaching certain production and profit targets.

The minority shares have now been effectively cancelled and as a result the company owns 100% of PMML and its patented claims that comprise the Pidgeon Molybdenum Deposit. The Company will hold the project in good standing until such a time as market conditions and base metal commodity prices improve.

On December 3, 2014, the Company received acceptance to renew its lease on the patented claims for a further twenty-one years. The new lease expires on September 30, 2034.

September 13, 2012 - MPH Ventures Files Updated NI 43-101 Resource Estimate on Pidgeon Molybdenum Project, NW Ontario

The Company announced that it had filed a National Instrument 43-101 ("NI 43-101") Technical Report for its 3,420 acre Pidgeon Molybdenum Project.

The independent technical report, entitled "Pidgeon Molybdenum Project National Instrument 43-101 Compliant Technical Report" (the "Technical Report") and dated July 05, 2012 was prepared for MPH by Cliff Duke, P.Eng. of Riverbend Geological Services Inc. ("Riverbend") of Beausejour, Manitoba. The Technical Report is available under MPH's profile on SEDAR at www.sedar.com and the full report is available on the Company's website at

<http://www.mphventurescorp.com/i/pdf/Pidgeon-NI-43-101.pdf> and
http://www.mphventurescorp.com/i/pdf/Pidgeon-App_A-07-12.pdf

The updated NI 43-101 report estimated the resource of the Pidgeon Molybdenum deposit to contain 2.66 million tonnes of 0.117% Mo (6,856,000 lbs. Mo) in the Indicated resource classification and 12.39 million tonnes of 0.083% Mo (22,658,000 lbs. Mo) in the Inferred resource classification, both at a cutoff grade of 0.04% Mo.

The Technical Report also states that the Pidgeon deposit has the potential to be a large tonnage, low grade molybdenite deposit amenable to open pit mining methods. The deposit is open at both the west and east ends, as well as at depth. In addition, Riverbend noted the presence of molybdenite in a 1966 Rio Tinto drill hole, some 1.5 kilometres east of Lateral Lake. The west lens of the deposit was not tested in the most recent drill programs. The report recommends that MPH spend an additional \$444,000 to drill 20 additional holes to test the west lens, and extend the limits of the deposit at both the east and west ends. If the results of this drilling are favourable, the Technical Report recommends a second phase of drilling consisting of 60 diamond drill holes to better define grade continuity at an estimated cost of \$1,350,000. The Company has been evaluating the Pidgeon Molybdenum Project as well as its other exploration properties and will make a decision on the direction the Company pursues with regards to its next round of exploration.

Pidgeon Molybdenum Mines Ltd. (PMML), a wholly owned subsidiary of MPH Ventures Corp., holds a 100% interest in a contiguous group of 13 mineral claims under a mining lease and 3 additional patented claims attached to the lease. The Company also owns 100% of four mineral claims, acquired by staking, and a 100% interest in 10 additional claims, acquired pursuant to an option agreement. Both groupings surround the mining lease and collectively these land positions make up the property.

MPH Ventures' primary asset is the 3,420 acres Pidgeon Molybdenum Deposit located in northwestern Ontario which was acquired from BHP Billiton and Goldcorp with a significant NI 43-101 molybdenum resource. The Company has completed two drill programs to date totaling approximately 100 drill holes. The project is accessible year round and, when commodity prices permit, development plans include increasing the resource base which remains open in all directions, conducting regional exploration and carrying out metallurgical testing for recovery of molybdenum and by-products.

Pidgeon Molybdenum Deposit Location Map:

http://www.mphventurescorp.com/s/Image.asp?i=maps/MPS-ON-Pidgeon-Fig_41.gif

Qualified Person:

The Technical Report was prepared by Cliff Duke, P. Eng. of Riverbend Geological Services Inc. in accordance with National Instrument 43-101. Cliff Duke is a "Qualified Person" as defined by NI 43-101.

The Technical Report and mineral resource estimate was reviewed by Robert Marvin, P. Geo., CPG, who is a "Qualified Person" according to the definitions of NI 43-101. Bob has supervised and reviewed the preparation of the technical information and data included in this news release.

Raney Gold Project, Ontario, Canada

In May 2009, the Company acquired a 100% interest in six mineral claims consisting of 14 units (224 hectares) located in the Raney Township, in the Porcupine Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% NSR. Two additional claims were also acquired for a \$7,200 cash payment. These two claims were written-off during fiscal 2010 as they were cancelled.

The Company staked an additional six mineral claims consisting of 74 units (1,152 hectares) located to the east and west of the Raney Gold Project. The Company has incurred \$352,071 in exploration expenditures to May 31, 2015.

November 27, 2012 - MPH Ventures Files NI 43-101 Technical Report on the Raney Gold Property, Ontario

The Company filed a National Instrument 43-101 ("NI-43-101") Technical Report for its 1,408 hectare Raney Township Gold Property located in northern Ontario, Canada, approximately 110 km southwest of the city of Timmins, on the eastern side of Raney Lake.

The independent technical report, entitled "Technical Report on the Raney Township Gold Property, Raney Township, Porcupine Mining District, Ontario Canada" (the "Technical Report") and dated November 15, 2012 was prepared for the Company by Karen Kettles, M.Sc., P.Geo. of Sudbury, Ontario.

The Technical Report is available under MPH's profile on SEDAR at www.sedar.com and the full report is available on the Company's website at <http://www.mphventurescorp.com>.

The Company holds a 100% interest, subject to a 2% net smelter return royalty, in a contiguous group of twelve unpatented mining claims totaling 1,408 hectares and 88 claim units. Raney location map:

Raney Gold Project (Timmins, Ontario) Location Map

http://www.mphventurescorp.com/s/Image.asp?i=maps/MPS_Raney_Location_Map.jpg

Work to date by the Company consisted of trenching and sampling, induced polarization (IP) surveys, followed by drilling on the Property during the winter of 2009 and 2010. The only known gold occurrence on the Company's Property is the Raney Gold Occurrence, which is the focus of the report. MPH Ventures completed four separate phases of drilling on the Raney Project totaling 2,151 metres of drilling in fourteen holes. The Report recommends a two phase exploration program to further evaluate the Raney Township Gold property. The proposed budget for both phases is \$406,725.

Qualified Person:

The Technical Report was prepared by Karen Kettles, M.Sc., P.Geo, in accordance with National Instrument 43-101. Karen Kettles is a "Qualified Person" as defined by NI 43-101.

The Technical Report was reviewed by Robert Marvin, P.Geo, CPG, who is a "Qualified Person" according to the definitions of NI 43-101. Mr. Marvin has reviewed the preparation of the technical information and data included in this news release.

Work by MPH Ventures Ltd. in 2009 and 2010 consisted of trenching and sampling, Induced Polarization (IP) surveys, followed by drilling over the Raney Township Gold Property during the winter of 2009 and 2010. The trenching centered over the main Raney showing, out of 31 samples the average value was 0.51 g/t Au.

The IP survey indicated several targets near surface; these were tested by drilling in three of the holes in the drill program. MPH Ventures completed four separate phases of drilling on the Raney Project between early 2009 and early 2010. In 2009, three phases of drilling were completed, totaling 1,506 metres of drilling in nine holes. In 2010, a total of 645 m were completed in five holes during one phase of drilling.

The 2009-2010 drilling suggests that there are two to three parallel closely spaced zones of gold-mineralized quartz carbonate alteration with quartz veining, sulphides and occasionally visible gold. The drilling to date suggests mineralization is confined to a steeply plunging shoot of gold mineralization over widths of 50 metres strike extent. This zone needs to be tested with further drilling, possibly at 150 m level depth. Any deep drilling should be performed in the winter months.

North Albany Graphite Property, Ontario

The Company has acquired a 100% interest in the North Albany Graphite Property consisting of 16 mineral claim units covering approximately 256 hectares located within the Porcupine Mining Division of northern Ontario, contiguous to the north of Zenyatta Ventures Ltd.'s (TSX-V: ZEN) Albany (vein type) graphite deposit discovery.

In consideration for the North Albany Graphite Property, MPH Ventures paid \$15,000 and issued 300,000 common shares (valued at \$75,000) in the capital of the Company to arm's-length vendors.

Zenyatta recently announced intervals of 146 metres of 5.2 per cent graphite, 177 metres of 5.3 per cent graphite, 186 metres of 4.9 per cent graphite and 125 metres of 4.6 per cent graphite, respectively (see Zenyatta Ventures news release dated July 2, 2013).

Due to delay in the development of the property, the Company wrote-off the carrying value of \$91,356 during the current year.

Selected Annual Information

		Years Ended May 31 (audited)		
	Fiscal year	2015	2014	2013
(a)	Revenue - interest	\$ 457	\$ 2,932	\$ 4,249
(b)	Loss for the year	\$ (543,284)	\$ (410,958)	\$ (106,667)
(c)	Loss per share: Basic	\$ (0.04)	\$ (0.05)	\$ (0.01)
	Fully Diluted	\$ (0.04)	\$ (0.05)	\$ (0.01)
(d)	Total Assets	\$ 2,845,957	\$ 2,973,966	\$ 3,311,306
(e)	Total Exploration Expenditures	\$ 2,025	\$ 3,885	\$ 24,895

During the 2013 to 2015 fiscal years, the Company received interest income on cash. The interest amounts earned fluctuate with changing amounts on deposit and with changing interest rates. These interest amounts are, in any event, not material, and are merely used to offset administrative operating expenses. The fluctuation in such income over the three years mainly reflects the increase or decrease in amounts held on deposit during that year.

May 31, 2015 Compared With May 31, 2014

Private Placements

During fiscal 2015 the Company participated in the following private placement:

On July 31, 2014, the Company issued 5,985,000 units at \$0.05 per unit for gross proceeds of \$299,250. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.07 per share for a period of two years expiring July 31, 2016. Finders' fees of \$9,048 in cash and 180,950 agents' warrants (valued at \$11,925) were paid and issued.

During fiscal 2014, the Company did not participate in any private placements.

Operations

The Company's loss for the year ended May 31, 2015 was \$543,284 or a \$0.04 loss per share, compared to a loss in fiscal 2014 of \$410,958, or a \$0.05 loss per share, an increase of \$132,326.

The Company wrote-off \$91,356 in exploration and evaluation assets relating to the North Albany, Ontario property in the current year (2014 – total \$Nil). The Company's total expenses of \$452,385 in the current year, increased from those in fiscal 2014 (\$413,890) by \$38,495 or 9.3%. There was a \$70,325 (2014 – \$Nil) share-based compensation expense, a non-cash expense, which resulted from 1,406,669 stock options granted in the current year (2014 – Nil). Without the inclusion of this expense, the general and administrative expenses would have been \$382,060, a decrease of \$31,830 or 7.7% from \$413,890 in the previous year.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of \$2,025 in fiscal 2015 and \$3,885 in fiscal 2014 (see table below)

Exploration and Evaluation Assets	Exploration Expenditures Incurred	
	2015	2014
Ontario, Canada		
North Albany Graphite	\$ -	\$ 1,356
Pidgeon Molybdenum Mines Limited	2,025	1,529
Raney Gold Project	-	1,000
Total	\$ 2,025	\$ 3,885

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and charged an administration fee of \$37,544 (2014- \$36,780) representing 15% of the costs incurred.

May 31, 2014 Compared With May 31, 2013

Private Placements

During fiscal 2014 or 2013, the Company did not participate in any private placements.

Operations

The Company's loss for the year ended May 31, 2014 was \$410,958 or a \$0.05 loss per share, compared to a loss in fiscal 2013 of \$106,667, or a \$0.01 loss per share, an increase of \$304,291.

The Company recorded a gain of \$250,000 on disposition of the Gould, Ontario property in fiscal 2013. Without this gain, the Company would have had a loss in fiscal 2013 of \$356,667 or a loss of \$0.05 per share. The increase in fiscal 2014 would have been \$54,291, an increase of 15.2% from fiscal 2013.

The Company wrote-off \$nil in exploration and evaluation assets in the current year (2013 – total \$117,375; Echo Township, Ontario - \$109,875 and Shining Gold, Ontario - \$7,500). The Company's total expenses of \$413,890 in the current year, increased from those in fiscal 2013, \$267,463 by \$146,427 or 54.8%. Every general and administrative expense category increased as compared with those in fiscal year 2013.

There was an increase in overall corporate activity. The Company entered into a purchase agreement to acquire a 100% interest in the North Albany Property consisting of 16 mineral claim units in the Porcupine Mining Division of central Ontario.

The Company did not grant any stock options in fiscal 2014 or 2013, and consequently there was no share-based compensation expense.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

The Company incurred exploration and development expenditures of \$3,885 in fiscal 2014 and \$24,895 in fiscal 2013. (see table below)

Exploration and Evaluation Assets	Exploration Expenditures Incurred	
	May 31, 2014	May 31, 2013
Ontario, Canada		
North Albany Graphite	\$ 1,356	\$ -
Pidgeon Molybdenum Mines Limited	1,529	13,658
Raney Gold Project	1,000	3,737
Shining Gold	-	7,500
Total	\$ 3,885	\$ 24,895

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and charged an administration fee of \$36,780 (2013 - \$17,911) representing 15% of the costs incurred.

Summary of Quarterly Results

	Quarter	May 31, 2015 4th (3 months)	February 28, 2015 3rd (3 months)	November 30, 2014 2nd (3 months)	August 31, 2014 1st (3 months)
(a)	Revenue – interest	\$ 42	\$ 196	\$ 219	\$ -
(b)	Net income (loss)	\$ (196,959)	\$ (104,187)	\$ (156,612)	\$ (85,526)
(c)	Net income (loss) per share:				
	Basic -	\$ (0.015)	\$ (0.008)	\$ (0.013)	\$ (0.01)
	Fully Diluted -	\$ (0.015)	\$ (0.008)	\$ (0.013)	\$ (0.01)

	Quarter	May 31, 2014 4th (3 months)	February 28, 2014 3rd (3 months)	November 30, 2013 2nd (3 months)	August 31, 2013 1st (3 months)
(a)	Revenue – interest	\$ 170	\$ 561	\$ 875	\$ 1,326
(b)	Net income (loss)	\$ (122,106)	\$ (90,784)	\$ (110,225)	\$ (87,843)
(c)	Net income (loss) per share:				
	Basic -	\$ (0.015)	\$ (0.011)	\$ (0.014)	\$ (0.01)
	Fully Diluted -	\$ (0.015)	\$ (0.011)	\$ (0.014)	\$ (0.01)

Results of Operations for the Three Months Ended May 31, 2015

The Company is in the exploration and development stage and does not generate any revenue other than minor interest income.

For the three months ended May 31, 2015 the Company reported a loss of \$196,959 or a \$0.015 loss per share. Comparatively, the loss in 2014 for the same quarter was \$122,106 or a loss of \$0.015 per share.

The Company's general and administrative expenses of \$105,643 (May 31, 2014 - \$122,275) decreased by \$16,632 compared to the same quarter in the previous year. Expenses such as professional fees, shareholder communications and transfer agent and filing fees, may vary quarter to quarter as the quarter in which they occur may vary from one year to another.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

Results of Operations for the Year Ended May 31, 2015

For the year ended May 31, 2015 the Company reported a loss of \$543,284 or a \$0.004 loss per share. Comparatively, the loss in 2014 was \$410,958 or a loss of \$0.05 per share.

The Company's general and administrative expenses of \$452,385 (2014 - \$413,890) increased by \$38,495, an increase of 9.3%. Expenses such as professional fees, shareholder communications and transfer agent and filing fees, may vary from one year to another. If the Company has private placements or property agreements the professional fees and transfer agent fees increase. Shareholder communications increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation. There was a \$70,325 (2014 - \$Nil) share-based compensation expense, a non-cash expense, which resulted from 1,406,669 stock options granted in the current year (2014 - Nil). Without the inclusion of this expense, the general and administrative expenses would have decreased by \$31,830, from \$413,890 in the previous year, to \$382,060 in the current year, a 7.7% decrease.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

Liquidity and Capital Resources

At May 31, 2015 the Company had cash of \$7,633 (2014 - \$43,723). The Company's capital needs are usually met by equity subscriptions which were \$299,250, less share issue costs of \$11,299 in the current year (2014 - \$Nil).

Working capital deficiency was \$53,973 at May 31, 2015 compared to a working capital of \$38,396 at May 31, 2014.

The Company's cash position at May 31, 2014 was \$43,723. As a result of expenditures incurred during the current year for general business expenses; gross proceeds of \$299,250 from a private placement; \$2,025 incurred in exploration and evaluation asset expenditures; the increase in receivables and prepaid expenses of \$720 and in accounts payable and accrued liabilities of \$56,999; the Company's cash position at May 31, 2015 was \$7,633.

The Company has historically met all cash requirements for operation by equity financing. Future funding needs of the Company are dependent upon the Company's continued ability to obtain equity and/or debt financing to meet its financial obligations and to pursue further exploration on its properties.

In management's view, given the nature of the Company's operations, which consist of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its property interests. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, including the market value of the metals to be produced.

Off-Balance Sheet Arrangements

At May 31, 2015 the Company did not have any off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

All amounts either due from or due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company paid or accrued the following to directors, executive officers and officers of the Company:

	2015	2014
Consulting fees	\$ 30,000	\$ 30,000
Wages	17,959	17,416
Share-based payments	<u>38,495</u>	<u>-</u>
	\$ 86,454	\$ 47,416

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and was charged an administration fee of \$37,544 (2014 - \$36,780) representing 15% of the costs incurred.

Included in prepaid expenses at May 31, 2015 is \$Nil (2014 - \$7,939) due from the private company.

Included in accounts payable and accrued liabilities at May 31, 2015 is \$53,955 (2014 - \$Nil) due to the private company.

Subsequent Events

The Company entered into an agreement to acquire all the issued and outstanding common shares of Travelucion S.L. ("Travelucion"), a private media company servicing travel to Cuba. The Company will acquire a 20% interest in Travelucion in consideration for 4,000,000 common shares and \$100,000. Prior to closing this transaction, the Company is required to complete a private placement of common shares for proceeds of up to \$600,000. Upon closing the transaction, the Company has the option, for a period of eight months, to acquire the remaining 80% of Travelucion in consideration for the issuance of an additional 16,000,000 common shares. The agreement is subject to regulatory approval.

About MPH Ventures Corp.:

MPH Ventures Corp. has approx. 14.1 million shares issued and outstanding as at August 21, 2015.

MPH-Travelucion Presentation: http://www.mphventurescorp.com/i/pdf/MPS_PPT.pdf

Travelucion Media Kit:

<http://www.mphventurescorp.com/i/pdf/travelucion-media-kit.pdf>

Financial Instruments and Other Risks

The Company's financial instruments consist of cash and short-term investments, receivables and accounts payable and accrued liabilities. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted. In conducting business, the principal risks and uncertainties faced by the Company center on exploration and development and metal prices and market sentiment. Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control.

In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure or easy access. The prices of metals fluctuate and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies.

The Company relies on equity financing for its working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

The Company's business is highly uncertain and risky by its very nature. The two most significant risks for the Company are:

- 1) The chances of finding an economic ore body are extremely small;
- 2) The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them. Other risk factors include the establishment of undisputed title to mineral properties, environmental concerns and the obtaining of governmental permits and licenses when required. Success is totally dependent upon the knowledge and expertise of management and employees and their ability to identify and advance attractive exploration projects and targets from grass roots to more advanced stages.

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Even if an ore body is discovered, there is no assurance that it will ever reach production. While it is impossible to eliminate all of the risks associated with exploration and mining, it is management's intention to manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased shareholder value.

Additional Information

- Additional information with respect to the Company is also available on the Company's website at www.mphventurescorp.com and also on SEDAR at www.sedar.com

New standards, interpretations and amendments adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements. Several other new standards and amendments apply for the first time in 2014. However, they are not applicable to the annual financial statements of the Company.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

New standards not yet adopted

IFRS 9, Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet made an assessment of the impact of the amendments.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of the consolidated financial statements and the MD&A.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Share Capital

As at the report date of August 21, 2015 the following were outstanding:

Share capital – issued and outstanding	14,067,487
Options	1,406,669
Warrants	6,165,950
Shares held in escrow	Nil

Financial Statements of

TRAVELUCION, S.L.U.

As at September 30, 2015 and December 31, 2014 and 2013

INDEPENDENT AUDITORS' REPORT

To the Director of
Travelucion, S.L.

We have audited the accompanying financial statements of Travelucion, S.L., which comprise the statement of financial position as at December 31, 2014 and the statements of income and comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Travelucion, S.L. as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note I in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Travelucion, S.L. to continue as a going concern.

Santa Cruz de Tenerife, 19th February 2016.

 **CANAUDIT, S.L.**
AUDITORES Y CONSULTORES
C.I.F. B - 38437869

Canaudit, S.L.
R.O.A.C. nº S1100
Ivan Pasqua Asenjo
Socio

REPORT ON REVIEW OF FINANCIAL STATEMENTS

To the Director of
TRAVELUCION S.L.

Introduction

We have reviewed the accompanying balance sheet of **TRAVELUCION S.L.** as of **September 30, 2015** and **December 31, 2013** and the related statements of income and comprehensive income, changes in equity and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of **TRAVELUCION S.L.** as at **September 30, 2015 and December 31, 2013**, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Santa Cruz de Tenerife, 19th February 2016.

 **CANAUDIT, S.L.**
AUDITORES Y CONSULTORES
C.I.F.: B - 38437869

Canaudit, S.L.
R.O.A.C. nº S1100
Ivan Pasqua Asenjo
Socio

TRAVELUCION, S.L.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Euros)
AS AT

	September 30, 2015	December 31, 2014	December 31, 2013
	(Unaudited)	(Audited)	(Unaudited)
ASSETS			
Current			
Cash	38,325	10,533	6,574
Taxes recoverable	<u>3,412</u>	<u>1,105</u>	<u>158</u>
	41,737	11,638	6,732
Due from shareholder (Note 8)	13,407	5,477	-
Deposit	6,329	6,329	6,329
Property and equipment (Note 4)	21,478	2,593	1,302
Intangible assets (Note 5)	<u>19,081</u>	<u>1,205</u>	<u>693</u>
	102,032	27,242	15,056
LIABILITIES			
Current			
Trade and other payables	2,121	19,800	5,950
Current portion of long-term debt (Note 6)	12,946	-	-
Income taxes payable (Note 13)	14,312	1,306	-
Due to shareholder (Note 8)	<u>-</u>	<u>-</u>	<u>7,180</u>
	<u>29,379</u>	<u>21,106</u>	<u>13,130</u>
Long-term debt (Note 6)	<u>23,990</u>	<u>-</u>	<u>-</u>
Equity			
Capital stock (Note 7)	3,050	3,050	3,050
Income (deficit)	<u>45,613</u>	<u>3,086</u>	<u>(1,124)</u>
	<u>48,663</u>	<u>6,136</u>	<u>1,926</u>
	102,032	27,242	15,056

TRAVELUCION, S.L.
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Expressed in Euros)
PERIODS ENDED

	Nine month period ended September 30, 2015 (Unaudited)	Year ended December 31, 2014 (Audited)	Year ended December 31, 2013 (Unaudited)
REVENUE			
Sales	755,771	458,126	279,798
COST OF SALES	<u>540,693</u>	<u>396,807</u>	<u>189,273</u>
GROSS MARGIN	<u>215,078</u>	<u>61,319</u>	<u>90,525</u>
OPERATING EXPENSES			
General and administration	2,844	3,773	18,210
Amortization	7,674	452	150
Other operating expenses (Note 12)	<u>147,857</u>	<u>51,991</u>	<u>69,801</u>
	<u>(158,375)</u>	<u>(56,216)</u>	<u>(88,161)</u>
INCOME BEFORE INCOME TAXES	56,703	5,103	2,364
INCOME TAX EXPENSE (Note 13)	<u>(14,176)</u>	<u>(893)</u>	<u>(591)</u>
INCOME AND COMPREHENSIVE INCOME	<u>42,527</u>	<u>4,210</u>	<u>1,773</u>
BASIC EARNINGS PER SHARE	13.94	1.38	0.58
WEIGHTED NUMBER OF COMMON SHARES OUTSTANDING	3,050	3,050	3,050

TRAVELUCION, S.L.
STATEMENTS OF CASH FLOWS
(Expressed in Euros)
PERIODS ENDED

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)	December 31, 2013 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	42,527	4,210	1,773
Amortization	7,674	452	-
Changes in non-cash working capital items:			
Trade and other payables	(17,679)	13,850	(4,601)
Income taxes	10,699	359	67
Due from/to shareholder	<u>(7,930)</u>	<u>(12,657)</u>	<u>7,180</u>
Cash flows provided by operating activities	<u>35,291</u>	<u>6,214</u>	<u>4,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(20,508)	(1,743)	(780)
Purchase of intangible assets	<u>(23,927)</u>	<u>(512)</u>	<u>-</u>
Cash flows (used in) investing activities	<u>(44,435)</u>	<u>(2,255)</u>	<u>(780)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt	<u>36,936</u>	<u>-</u>	<u>-</u>
Cash flows provided by financing activities	<u>36,936</u>	<u>-</u>	<u>-</u>
Increase in cash during the period	27,792	3,959	3,639
Cash, beginning of period	<u>10,533</u>	<u>6,574</u>	<u>2,935</u>
Cash, end of period	<u>38,325</u>	<u>10,533</u>	<u>6,574</u>

TRAVELUCION, S.L.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Euros)

Capital Stock				
	Number	Amount	Income (Deficit)	Total
Balance, as at December 31, 2012	3,050	3,050	(2,897)	153
Income for the year	-	-	1,773	1,773
Balance, as at December 31, 2013	3,050	3,050	(1,124)	1,926
Income for the year	-	-	4,210	4,210
Balance, as at December 31, 2014	3,050	3,050	3,086	6,136
Income for the period	-	-	42,527	42,527
Balance, as at September 30, 2015	3,050	3,050	45,613	48,663

TRAVELUCION, S.L.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

1. NATURE AND CONTINUANCE OF OPERATIONS

Travelucion S.L. was formed under the laws of the Canary Islands, Spain on December 27, 2011. The head office and records office is located at Villa Blanca 6, Aveda Austria 36, Adeje, 38660, Tenerife, Spain.

The Company is a private digital media company servicing online travel and travel related reservations. The company holds a European valid retail travel license and is a fully bonded international travel provider. The Company connects consumers wishing to make travel reservations with providers of travel services to Cuba. The Company offers consumers accommodation reservations including hotels and bed and breakfasts as well as rental car reservations through its various on-line booking web-sites.

These financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has income from operations but does not currently have the financial resources to sustain operations in the long-term. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance and Conversion to International Financial Reporting Standards

These financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board").

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical accounting judgement

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

The information about significant areas of judgement considered by management in preparing the financial statements are as follows:

Functional and presentation currency

The presentation currency of the Company and the functional currency of the Company is the Euro. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the statement of financial position date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in the statements of income and comprehensive income for the period.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Company recognizes revenue when the amount of revenue can be measured reliably and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The revenue from the sale of goods is recognized when the seller has transferred the significant risks and rewards of ownership to the buyer and no longer has control or managerial involvement over the goods.

The Company recognizes revenue once the service is rendered and all significant risks and rewards of the service have been transferred to the customer.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income per share

The Company presents basic income per share for its common shares, calculated by dividing the income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted income per share does not adjust the income attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Related Party Transactions

In general, the transactions among the related parties have been initially registered at their reasonable value. The further valuation has been adjusted according to the applicable roles, depending on the nature of each transaction.

TRAVELUCION, S.L.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Property and equipment

Property and equipment are carried at cost less accumulation amortization and impairment losses.

Amortization is recognized using the declining method at the following rates:

Assets	Percentages
Furniture	10.0%
Information processing equipment	25.0%
Automotive	12.5%
Other assets	10.0%

Intangible Assets

Intangible assets are carried at cost less accumulation amortization and impairment losses.

Amortization is recognized using the declining method at the following rates:

Assets	Percentages
Software Applications	7%

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted

Revenue recognition

In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"). The standard replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfer of Assets from Customers" and SIC 31 "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. This standard is effective for annual periods beginning on and after January 1, 2018, and permits early adoption. The Company is in the process of determining the impact of IFRS 15 on its consolidated financial statements.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 "Financial instruments" ("IFRS 9"). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition, measurement and impairment of financial instruments and includes a substantially reformed approach to hedge accounting. The Company is in the process of determining the impact of IFRS 9 on its consolidated financial statements.

Leases

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"). 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. IFRS 16 requires lessees to recognize assets and liabilities for most leases. The Company is in the process of determining the impact of IFRS 16 on its consolidated financial statements.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial assets (cont'd...)

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial instruments measured at fair values 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 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;
- Level 3 – inputs that are not based on observable market data.

TRAVELUCION, S.L.
NOTES TO FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

4. PROPERTY AND EQUIPMENT

September 30, 2015

COST

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	1,159 €	-	-	1,159 €
Information Process. Equip.	1,886 €	-	-	1,886 €
Transportation Elements	-	20,000 €	-	20,000 €
Other Assets	-	508 €	-	508 €
TOTAL	3,045 €	20,508 €	-	23,553 €

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	129 €	166 €	-	295 €
Information Process. Equip.	323 €	377 €	-	700 €
Transportation Elements	-	1,067 €	-	1,067 €
Other Assets	-	13 €	-	13 €
TOTAL	452 €	1,623 €	-	2,075 €
NET BOOK VALUE	2,593 €			21,478 €

December 31, 2014

COST

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	275 €	884 €	-	1,159 €
Information Process. Equip.	1,027 €	859 €	-	1,886 €
TOTAL	1,302 €	1,743 €	-	3,045 €

TRAVELUCION, S.L.
NOTES TO FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

4. PROPERTY AND EQUIPMENT (cont'd...)

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	-	129 €	-	129 €
Information Process. Equip.	-	323 €	-	323 €
TOTAL	-	452 €	-	452 €
NET BOOK VALUE	1,302 €			2,593 €

December 31, 2013

COST

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	338 €	-	-	338 €
Information Process. Equip.	1,027 €	-	-	1,027 €
TOTAL	1,365 €	-	-	1,365 €

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Furniture	-	-	-	-
Information Process. Equip.	-	63 €	-	63 €
TOTAL	-	63 €	-	63 €
NET BOOK VALUE	1,365 €	63 €	-	1,302 €

There are no elements acquired from companies of the group. There are no elements of the fixed assets located outside of territory.

There are no elements totally amortized to the 30th of September of 2015 or to the close of the Fiscal Period 2014 or to the close of the Fiscal Period 2013. There are no goods affected by guarantees or reversion.

To the 30th of September there are no firm purchase commitments. There are no other circumstances that could affect the value or classification of the fixed assets

TRAVELUCION, S.L.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

5. INTANGIBLE ASSETS

September 30, 2015

COST

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	1,292 €	23,927 €	-	25,219 €
TOTAL	1,292 €	23,927 €	-	25,219 €

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	87 €	6,051 €	-	6,138 €
TOTAL	87 €	6,051 €	-	6,138 €
NET BOOKVALUE	1,205 €			19,081 €

December 31, 2014

COST

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	780 €	512 €	-	1,292 €
TOTAL	780 €	512 €	-	1,292 €

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	87 €	-	-	87 €
TOTAL	87 €	-	-	87 €
NET BOOK VALUE	693 €	-	-	1,205 €

TRAVELUCION, S.L.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

5. INTANGIBLE ASSETS (cont'd...)

December 31, 2013

COST

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	-	780 €	-	780 €
TOTAL	-	780 €	-	780 €

AMORTIZATION

	Opening Balance	Increases	Decreases	Closing Balance
Software App.	-	87 €	-	87 €
TOTAL	-	87 €	-	87 €
NET BOOK VALUE	-			693 €

6. LONG-TERM DEBT

	September 30, 2015	December 31, 2014	December 31, 2013
Unsecured bank loan, payable in monthly instalments of 944.05 € including interest at 3.95%, due February 20, 2018.			
Principal amount	26,071 €	-	-
Current portion	(10,486) €	-	-
Long-term portion	15,585 €	-	-
Unsecured bank loan, payable in monthly principal instalments of 243.89 € plus interest at the Euribor plus 3.75%, due February 3, 2020.			
Principal amount	10,865 €	-	-
Current portion	(2,460) €	-	-
Long-term portion	8,405 €	-	-
Total long-term portion	23,990 €	-	-

TRAVELUCION, S.L.
NOTES TO FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

7. CAPITAL STOCK

Authorized capital stock – unlimited number of common shares, with a par value of 1€.

The Company has issued and outstanding 3,050 common shares as at September 30, 2015 at a cost of one Euro per share.

The capital stock of the Company is totally subscribed and paid-in. Stephen Anthony Marshall owns 100% of the shares of stock.

8. RELATED PARTY TRANSACTIONS

The key management personnel of the Company is D. Stephen Anthony Marshall, sole shareholder and administrator.

During the periods ended September 30, 2015, December 31, 2014 and 2013, a prepaid rental deposit in the amount of 6,329 € was paid.

The balances pending at the close of the fiscal period are as follows:

	September 30, 2015	December 31, 2014	December 31, 2013
Due from shareholder	13,407 €	5,477 €	-
Due to shareholder	-	-	7,180 €

There are no obligations contracted regarding pensions or the payment of life insurance premiums regarding former and current members of the Administration Body and upper management.

No indemnities have accrued in the fiscal period for severances paid or payments based on equity instruments.

No advances or credits have been granted to the members of the Administration Body or upper management.

TRAVELUCION, S.L.
NOTES TO FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	September 30, 2015	December 31, 2014	December 31, 2013
Cash paid during the period for interest	990	8	432
Cash paid during the period for income taxes	10,632	1,234	0

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and due from shareholder. Management believes that the credit risk with respect to financial instruments included in due from shareholder is remote because of the credit worthiness of the individual and cash and short-term investments are held with reputable financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at September 30, 2015 the Company had a cash balance of 38,325 (December 31, 2014 - 10,533; December 31, 2013 - 6,574) to settle current liabilities of 29,379 (December 31, 2014 - 21,106; December 31, 2013 - 13,130). All of the Company's financial liabilities are subject to normal trade terms.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates with Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The impact of a 1% change in interest rates would not have a significant effect on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in Euros and United States Dollars. However management believes the risk is not currently significant as none of the Company's assets and none of its liabilities as at September 30, 2015 are denominated in United States Dollars.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Director does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

TRAVELUCION, S.L.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Euros)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

12. OPERATING EXPENSES

"Other Operating Expenses" are as follows:

Description	September 30, 2015 (9 months)	December 31, 2014	December 31, 2013
Rentals	-	-	28,481
Repairs and conservation	15,057	259	-
Professional services	74,693	5,815	6,928
Transportation	23	-	-
Insurance premiums	2,293	922	161
Banking services and similar	13,970	9,485	5,828
Supplies	1,028	1,884	467
Other services	41,486	32,538	26,693
Other taxation	2,759	4,119	811
Interest expense	990	8	432
Miscellaneous	-	(893)	-
Other income	(4,442)	(2,146)	-
TOTAL	147,857	51,991	69,801

13. INCOME TAXES

The Company recorded the following amounts for income tax expense:

	September 30, 2015	December 31, 2014	December 31, 2013
Income before income taxes	56,703	5,103	2,364
Income tax expense	14,176	893	591

There is no unrecognized temporary differences and taxable income.

MPH VENTURES CORP.

UNAUDITED PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2015

(Expressed in Canadian Dollars)

MPH VENTURES CORP.
PRO-FORMA CONDENSED CONSOLIDATED BALANCE SHEET
NOVEMBER 30, 2015
(Unaudited – expressed in Canadian dollars)

	MPH Ventures Corp.	Travelucion S.L.	Note 3	Pro-forma Adjustments	Pro-forma Consolidated
ASSETS					
Cash	\$ 237,411	\$ 57,599	(b)	\$ 581,901	\$ 876,911
Receivables and prepaids	103,611	-		-	103,611
Taxes	-	5,128		-	5,128
	341,022	62,727		581,901	985,650
Due from Shareholder	-	20,149		-	20,149
Deposit	-	9,512		-	9,512
Exploration and Evaluation Asset	2,808,675	-			2,808,675
Investment	300,000	-	(a)	(300,000)	-
Equipment	13,509	32,279		-	45,788
Intangible Assets	-	28,677	(a)	1,369,152	1,397,829
	\$ 3,463,206	\$ 153,344		\$ 1,651,053	\$ 5,267,603
LIABILITIES					
Accounts payable and accrued liabilities	\$ 21,778	\$ 3,188	(a), (b)	\$ 100,000	\$ 124,966
Income taxes payable	-	21,510		-	21,510
Current portion of long-term debt	-	19,456		-	19,456
	21,778	44,154		100,000	165,932
Deferred income tax	-	-	(a)	342,288	342,288
Long-term debt	-	36,054		-	36,054
	21,778	80,208		442,288	544,274
SHAREHOLDERS' EQUITY					
Capital Stock	15,369,911	4,584	(a) (b)	1,313,134	16,687,629
Reserves	1,278,794	-	(b)	4,183	1,282,977
Deficit	(13,207,277)	68,552	(a)(b)	(108,552)	(13,247,277)
	3,441,428	73,136		1,208,765	4,723,329
	\$ 3,463,206	\$ 153,344		\$ 1,651,053	\$ 5,267,603

Basis of presentation (Note 1)

Pro-forma transactions (Note 3)

The accompanying notes are an integral part of these unaudited pro-forma condensed consolidated financial statements.

MPH VENTURES CORP.
PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
SIX MONTHS ENDED NOVEMBER 30, 2015
(Unaudited – expressed in Canadian dollars)

	MPH Ventures Corp.	Travelucion S.L.	Note 3	Pro-forma Adjustments	Pro-forma Consolidated
SALES	\$ -	\$ 709,165		\$ -	\$ 709,165
COST OF SALES	-	507,350		-	507,350
	-	201,815		-	201,815
EXPENSES					
General administration	157,021	71,321		-	228,342
Amortization	-	7,201	(c)	49,000	56,201
Professional fees	53,311	70,087	(a)	40,000	163,398
Shareholder communication	53,955	-		-	53,955
Share based compensation	106,411	-		-	106,411
	370,698	148,609		89,000	608,307
INCOME (LOSS) FOR THE PERIOD	(370,698)	53,206		(89,000)	(406,492)
Income taxes	-	(13,302)		-	(13,302)
NET INCOME/(LOSS)	\$ (370,698)	\$ 39,904		\$ (89,000)	\$ (419,794)
Net loss per share (Note 4)					
Basic					\$ (0.01)
Diluted					\$ (0.01)
Basic					47,448,350
Diluted					47,448,350

The accompanying notes are an integral part of these unaudited pro-forma condensed consolidated financial statements.

MPH VENTURES CORP.
PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
TWELVE MONTHS ENDED MAY 31, 2015
(Unaudited – expressed in Canadian dollars)

	MPH Ventures Corp.	Travelucion S.L.	Note 3	Pro-forma Adjustments	Pro-forma Consolidated
SALES	\$ -	\$ 1,218,537		\$ -	\$ 1,218,537
COST OF SALES	-	946,235		-	946,235
	-	272,302		-	272,302
EXPENSES					
General administration	224,546	126,728		-	351,274
Amortization	-	7,844	(c)	98,000	105,844
Professional fees	78,373	77,872	(a)	40,000	196,245
Shareholder communication	78,684	-		-	78,684
Share based compensation	70,325	-			70,325
	451,928	212,444		138,000	802,372
Write off	91,356	-		-	91,356
	543,284	212,444		138,000	893,728
INCOME/(LOSS) FOR THE PERIOD	(543,284)	59,858		(138,000)	(621,426)
Income taxes	-	(14,552)		-	(14,552)
NET INCOME/(LOSS)	\$ (543,284)	\$ 45,306		\$ (138,000)	\$ (635,978)
Net loss per share (Note 4)					
Basic					\$ (0.01)
Diluted					\$ (0.01)
Basic					45,231,254
Diluted					45,231,254

The accompanying notes are an integral part of these unaudited pro-forma condensed consolidated financial statements.

MPH VENTURES CORP.

NOTES TO THE PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – expressed in Canadian dollars)

NOVEMBER 30, 2015

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma condensed consolidated financial statements of MPH Ventures Corp. (“MPH” or the “Company”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The unaudited pro-forma condensed consolidated financial statements have been prepared for inclusion in a Filing Statement dated March 11, 2016 in conjunction with the acquisition of all of the outstanding common shares of Travelucion S.L. (“Travelucion”).

The acquisition is subject to acceptance by the shareholder of Travelucion and certain securities regulatory approvals. In the opinion of management, the pro-forma condensed consolidated financial statements include all adjustments necessary for fair presentation of the transactions as described in Note 3.

The unaudited pro-forma condensed consolidated financial statements are not necessarily indicative of the financial position or results of operations which would have resulted if the acquisition had actually occurred as assumed.

The unaudited pro-forma condensed consolidated financial statements have been derived from and should be read in conjunction with the financial statements of MPH and Travelucion as follows:

- a) the audited consolidated financial statements of MPH as at and for the year ended May 31, 2015;
- b) the unaudited condensed consolidated interim financial statements of MPH as at and for the six month period ended November 30, 2015;
- c) the unaudited interim financial statements of Travelucion as at and for the nine month period ended September 30, 2015;
- d) the unaudited statement of operations of Travelucion for the nine month period ended September 30, 2015 and the twelve month period ended May 31, 2015 prepared by management.

The unaudited pro-forma condensed consolidated balance sheet has been prepared as if the acquisition of Travelucion had occurred on November 30, 2015. The unaudited pro-forma condensed consolidated statements of operations have been prepared as if the acquisition of Travelucion had occurred on June 1, 2014 and June 1, 2015 for the year ended May 31, 2015 and period ended November 30, 2015 respectively.

MPH VENTURES CORP.

NOTES TO THE PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – expressed in Canadian dollars)

NOVEMBER 30, 2015

1. BASIS OF PRESENTATION (cont'd...)

The pro-forma condensed consolidated balance sheet has been prepared using the current rate method by converting the Travelucion balance sheet into Canadian dollars using the November 30, 2015 exchange rate of 1.5029 Euros to one Canadian dollar. The pro-forma condensed consolidated statements of operations have been prepared by converting the operations of Travelucion for the six months ended November 30, 2015 and the twelve months ended March 31, 2015 into Canadian dollars using the average exchange rates for the periods of 1.4075 and 1.4379 Euros to one Canadian dollar, respectively.

The unaudited pro-forma condensed consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the combined entities' financial position or operating results that would have occurred if the acquisition had been in effect at the dates indicated. Certain elements of the Travelucion financial statements have been reclassified to conform to the presentation of MPH. Furthermore, the pro-forma condensed consolidated statements of operations are not necessarily indicative of the operating results that may be obtained by the Company in the future. In addition, the Company has not completed the process of allocating the costs of the acquisition of Travelucion to the fair value of assets acquired and liabilities assumed and expect that once it completes this exercise, there may be material adjustments to the preliminary estimates used in preparing these pro-forma condensed consolidated financial statements.

The accounting policies used in the preparation of the unaudited pro forma condensed consolidated financial statements are consistent with those described in the audited consolidated financial statements of MPH for the year ended May 31, 2015 and Travelucion for the year ended December 31, 2014

2. ACQUISITION OF TRAVELUCION S.L.

On July 8, 2015, MPH announced the signing of an agreement to acquire up to 100% of Travelucion. On November 18, 2015, the Company acquired a 20% interest in Travelucion in consideration for 4,000,000 common shares valued at \$200,000 and cash of \$100,000. MPH has the option to acquire the remaining 80% of the common shares of Travelucion in exchange for an additional 16,000,000 common shares of MPH.

MPH VENTURES CORP.**NOTES TO THE PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – expressed in Canadian dollars)

NOVEMBER 30, 2015

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma condensed consolidated financial statements reflect the following assumptions and adjustments:

- (a) The acquisition of Travelucion by MPH is accounted for using the acquisition method of accounting, whereby Travelucion's assets and liabilities are revalued to their fair values and its shareholder's equity is eliminated. The assets and liabilities of MPH are not revalued.

The pro forma adjustments as at November 30, 2015 reflect the acquisition of the remaining 80% of Travelucion's net assets at their fair values. The fair value of the 16,000,000 common shares of MPH used in the pro forma is the private placement price of \$0.05 for a total value of \$800,000. The fair value of the 20% equity interest acquired previously has not changed so no gain or loss is recognized on the acquisition of the remaining 80% interest. MPH paid additional costs of \$40,000 related to the acquisition of Travelucion which were accrued in accounts payable and expensed on acquisition.

The purchase price has been allocated on the basis of management's preliminary estimates of the fair values as follows:

Purchase price:	
20,000,000 MPH common shares issued	\$ 1,000,000
Cash	<u>100,000</u>
Total	<u>1,100,000</u>
Purchase price allocation:	
Cash	57,599
Taxes	5,128
Due from shareholder	20,149
Deposit	9,512
Equipment	32,279
Intangible assets	1,397,829
Deferred income taxes	(342,288)
Accounts payable and accrued liabilities	(3,188)
Income taxes payable	(21,510)
Long term debt	<u>(55,510)</u>
Total allocation of purchase price	<u>\$ 1,100,000</u>

- (b) MPH will complete a private placement of 12,164,000 units at a price of \$0.05 per unit for total proceeds of \$608,200. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.075 per share. MPH will pay a finder's fee of \$26,299 and 525,980 warrants with identical terms to the unit offering. The fair value of \$4,183 on the warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 0.48%, expected life of 2 years, expected volatility of 80% and a dividend rate of 0.00%. MPH paid additional costs of \$60,000 related to the financing which were accrued in accounts payable and charged to equity on closing.
- (c) Additional amortization of \$49,000 on the intangible assets is recorded for the period ended September 30, 2015 and \$98,000 is recorded for the year ended May 31, 2015.

MPH VENTURES CORP.**NOTES TO THE PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – expressed in Canadian dollars)

NOVEMBER 30, 2015

4. PRO-FORMA BASIC AND DILUTED LOSS PER SHARE

	Issued and outstanding MPH common shares	
	Six Months Ended November 30, 2015	Year Ended May 31, 2015
Weighted average number of MPH shares before dilution	19,284,350	13,067,254
Shares to Travelucion shareholder Note 3 (a)	16,000,000	20,000,000
Shares pursuant to private placement Note 3 (b)	12,164,000	12,164,000
Pro forma weighted average number of shares outstanding	47,448,350	45,231,254
Pro-forma loss for the period	\$ (419,794)	\$ (635,978)
Pro-forma basic and diluted loss per share	\$ (0.01)	\$ (0.01)

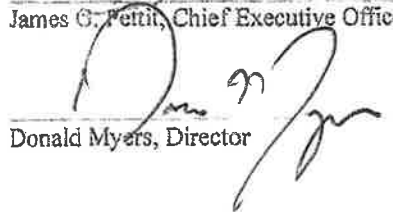
5. PRO-FORMA SHARE CAPITAL

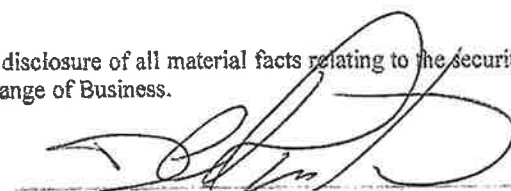
	Number	Amount
MPH common shares outstanding	33,313,487	\$ 15,369,911
Shares to Travelucion shareholder Note 3 (a)	16,000,000	800,000
Shares pursuant to private placement Note 3 (b)	12,164,000	517,718
Pro forma share capital	61,477,487	\$ 16,687,629

CERTIFICATE OF THE ISSUER

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of MPH Ventures Corp. assuming completion of the Change of Business.



James G. Pettit, Chief Executive Officer

Donald Myers, Director

Donald C. Huston, Chief Financial Officer

Amanda B. Chow, Director

CERTIFICATE OF THE TARGET COMPANY

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Travelucion SL assuming completion of the Change of Business.



Stephen Marshall, President

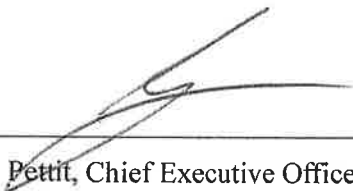
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Acknowledgement – Personal Information

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.



James G. Pettit, Chief Executive Officer

