FIRESTONE VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 and 2015

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Firestone Ventures Inc.

We have audited the accompanying consolidated financial statements of Firestone Ventures Inc. and its subsidiary, which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of 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.

Auditor's 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 auditor's 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 auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Firestone Ventures Inc. and its subsidiary as at March 31, 2016 and 2015, and their financial performance and 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 indicates that Firestone Ventures Inc. had continuing losses during the year ended March 31, 2016 and a working capital deficiency and cumulative deficit as at March 31, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about Firestone Ventures Inc.'s ability to continue as a going concern.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
July 27, 2016

Firestone Ventures Inc.

Consolidated Statements of Financial Position
As at March 31,
(*in Canadian dollars****)***

	2016	2015
Assets		
Current assets		
Cash	**$7,393**	$2,566
Accounts receivable	**2,408**	-
Prepaid expenses and deposits (note 15)	**15,108**	13,230
Total current assets	**24,909**	15,796
Equipment (note 3)	**-**	1,000
Mineral exploration properties (note 4)	**1,002,054**	1,001,538
Total assets	**$1,026,963**	$1,018,334
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	**$210,047**	$260,841
Promissory notes (note 6)	**525,991**	377,257
Total liabilities	**736,038**	638,098
Equity		
Share capital (note 7)	**18,711,892**	18,711,892
Contributed surplus	**4,098,860**	4,092,860
Deficit	**(22,519,827)**	(22,424,516)
Total equity	**290,925**	380,236
Total liabilities and equity	**$1,026,963**	$1,018,334

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 4 and15)
Subsequent events (note 16)

See accompanying notes to the consolidated financial statements

Approved by the Board of Directors:

"F. Carson Noel" — Director

"Keith Barron" — Director

Firestone Ventures Inc.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended March 31,
(in Canadian dollars)

	2016	2015
Expenses		
Exploration (note 8)	**$18,265**	$28,450
General and administrative (note 9)	**93,209**	187,691
Loss from operating activities	**(111,474)**	(216,141)
Other revenue	**15,251**	-
Change in provision	**-**	169,926
Foreign exchange gain (loss)	**912**	(1,616)
Write-down of mineral properties (note 4)	**-**	(283,061)
Net loss and comprehensive loss	**$(95,311)**	$(330,892)
Basic and diluted loss per share (note 10)	**$(0.003)**	$(0.009)
Weighted average common shares outstanding Basic and diluted	**36,823,991**	36,823,991

See accompanying notes to the consolidated financial statements

Firestone Ventures Inc.

Consolidated Statements of Changes in Shareholders' Equity

(in Canadian dollars)

					2016
	Number of Shares	**Share Capital**	**Contributed Surplus**	**Deficit**	**Total equity**
March 31, 2015	36,823,991	$18,711,892	$4,092,860	$(22,424,516)	**$380,236**
Rent benefit (note 14(b))	-	-	6,000	-	**6,000**
Net loss	-	-	-	(95,311)	**(95,311)**
March 31, 2016	36,823,991	$18,711,892	$4,098,860	$(22,519,827)	**$290,925**

					2015
	Number of Shares	**Share Capital**	**Contributed Surplus**	**Deficit**	**Total equity**
March 31, 2014	36,823,991	$18,711,892	$4,080,860	$(22,093,624)	$699,128
Rent benefit (note 14(b))	-	-	12,000	-	12,000
Net loss	-	-	-	(330,892)	(330,892)
March 31, 2015	36,823,991	$18,711,892	$4,092,860	$(22,424,516)	$380,236

See accompanying notes to the consolidated financial statements

Firestone Ventures Inc.

Consolidated Statements of Cash Flows
For the years ended March 31,
(in Canadian dollars)

	2016	2015
Cash provided by (used in):		
Operating activities:		
Net loss	**$(95,311)**	$(330,892)
Items not affecting cash		
Depreciation	**1,000**	3,330
Rent benefit	**6,000**	12,000
Write-down of mineral exploration properties	**-**	283,061
Net change in non-cash working capital (note 12)	**(55,080)**	(222,809)
Net cash flows used in operating activities	**(143,391)**	(255,310)
Financing activity:		
Promissory note advances	**148,734**	258,537
Investing activity:		
Mineral exploration property costs	**(516)**	(4,454)
Change in cash	**4,827**	(1,227)
Cash, beginning of year	**2,566**	3,793
Cash, end of year	**$7,393**	$2,566

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Firestone Ventures Inc. ("Firestone" or the "Company") is incorporated under the Business Corporations Act (Alberta). The Company's corporate office is located at Suite 1010, 8 King Street East, Toronto, Ontario M5C 1B5 and the registered office is located at #1250 – 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9.

Firestone is a junior exploration mining company engaged in the identification, evaluation, acquisition and exploration of mineral property interests. Currently, through its subsidiary FuegoEstrella S.A., ("FESA") the Company is engaged in the exploration of certain mineral property interests in Guatemala (the "Properties"), more particularly described in note 4. The Company is exploring the Properties under government-granted permits and has not yet determined whether these Properties contain reserves that are economically recoverable.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital and related party loans. The Company has incurred a net loss of $95,311 (2015 - $330,892) during the year ended March 31, 2016 and, as of that date, has a deficit of $22,519,827 (2015 - $22,424,516).

At March 31, 2016, the Company has a working capital deficiency of $711,129 (2015 - $622,302) and is relying on cash advances from a director to finance working capital (notes 6 and 16). The Company will require additional financing in order to continue to meet its obligations as they come due.

The current financial equity market conditions and the low price of the Company's common shares make it difficult to raise funds by private placements of shares, making the success of any alternative financing ventures uncertain. This material uncertainty, in conjunction with the Company's working capital deficiency and inability to generate cash from operations, casts significant doubt upon the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. In addition to obtaining funding through private placements, management is examining other strategic alternatives to address the uncertainties discussed above, including reorganizations, mergers, sales of assets, and other forms of debt and equity financing. There is no assurance that any of these endeavours will be successful.

These consolidated financial statements do not reflect any adjustments to the carrying values and classification of assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

The amounts shown in note 4 represent costs to date for property acquisition (including mineral claims and permits), less amounts written-off, and do not necessarily reflect fair values. The recoverability of the amounts shown for mineral exploration properties is dependent upon the existence of economically recoverable reserves, securing financing to complete development, and ultimately upon future profitable production or proceeds from disposition of the mineral exploration properties.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary FuegoEstrella, S.A. (a company incorporated in Guatemala). All intercompany accounts and transactions have been eliminated on consolidation. The consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2016.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

b) Significant accounting judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Estimates are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The following areas involve a higher degree of judgment or are areas where assumptions and estimates are significant to these consolidated financial statements. Actual outcomes could differ significantly from these estimates.

i. Significant judgments in applying accounting policies

<u>Going concern</u>

The preparation of these consolidated financial statements requires management to make judgments regarding the Company's ability to continue as a going concern as discussed in note 1.

Impairment of mineral exploration properties

The carrying amounts of the Company's mineral properties do not necessarily represent present or future values, and have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. In addition, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral exploration properties. Management has applied judgment in assessing whether these indicators exist and therefore whether mineral properties should be impaired.

ii. Key sources of estimation uncertainty

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

See note 15.

c) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, FESA.

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At period end dates, unsettled monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars by using the exchange rate in effect at the period end date and the related translation differences are recognized in profit or loss.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities denominated in a foreign currency that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss.

d) Cash and cash equivalents

Cash and cash equivalents are defined as amounts on deposit with major financial institutions and readily convertible guaranteed investment certificates with original maturities of less than three months. As at March 31, 2016 and 2015, the Company had no cash equivalents.

e) Equipment

Equipment is originally recorded at cost at the time of purchase and is subsequently measured at cost less accumulated depreciation and impairment. Costs include all costs required to bring the item into its intended use by the Company.

f) Mineral exploration properties

Acquisition costs incurred to obtain the legal right to explore mineral properties are capitalized on an area of interest basis, including costs incurred to obtain licenses, cash consideration paid under acquisition agreements, and the fair value of any shares issued for mineral property interests being acquired.

Exploration and evaluation expenditures are expensed as incurred until the Company can conclude that it will receive future economic benefits from an exploration property, which is generally when a bankable feasibility study has been completed and economically recoverable mineral resources for the project are determined. At this stage, the property is considered to be a mine under development and subsequent costs are capitalized, including any costs incurred to increase or extend the life of existing production.

On the commencement of commercial production, net capitalized costs will be charged to operations on a unit-of-production basis, by property, using estimated proven and probable reserves as the depletion base.

Mineral exploration properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Common indicators of impairment of a mineral exploration property include, but are not limited to: (i) the right to explore in a specific area has expired, or will soon expire, and is not expected to be renewed; (ii) substantive expenditure on further exploration in a specific area is neither budgeted or planned; (iii) exploration in an area has not led to the discovery of commercially viable quantities of mineral resources, or the results are not compelling enough to warrant further exploration, and the Company has decided to discontinue activities in the area; or (iv) sufficient data exists to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the mineral property is unlikely to be recovered in full from successful development or by sale.

When it is determined that a project or property will be abandoned the costs are written-off, or if its carrying value has been impaired, the costs are written down to the recoverable amount. Where future cash flows are not reasonably determinable, mineral property interests are evaluated for impairment based on results of exploration work, management's intent and ability to retain title to the property, and determination of the extent to which future exploration programs are warranted and likely to be funded.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers or title may be affected by undetected defects.

g) Rehabilitation provisions

The Company recognizes a liability for restoration, rehabilitation and environmental obligations associated with long-lived assets, including the abandonment of mineral properties and returning properties to the condition required in order to satisfy regulatory obligations.

The Company records the present value of the estimated legal and constructive obligations required to restore the exploration sites in the period incurred, along with a corresponding increase in the carrying value of the related asset. The present value of the estimated future cash outflows to settle the obligation is determined using a risk-free pre-tax discount rate that reflects the time value of money and the risks specific to the obligation. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in profit or loss. The liability is also adjusted due to revisions in either the timing or amount of the original estimated cash flows associated with the liability, or for changes to the current market-based discount rate. The increase in the carrying value of the asset is amortized on the same basis as the related long-term asset.

At this time, the Company does not have any significant restoration, rehabilitation or environmental obligations.

h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

i) Share-based payment transactions

The Company grants stock options to employees, directors, officers, consultants and agents of the Company pursuant to a stock option plan. The fair value of options granted is recognized as an expense with a corresponding increase in contributed surplus.

Share-based payments to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued. Fair value is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the date the goods or services are received.

Any consideration received upon exercise of stock options is credited to share capital and the associated amounts originally recorded as contributed surplus are transferred to share capital.

j) Income taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. The deferred tax assets and liabilities are measured using enacted or substantively enacted annual tax rates expected to apply to taxable income in the year in which temporary differences are expected to be recovered or settled. Changes to these balances, including changes due to changes in income tax rates, are recognized in profit or loss in the period in which they occur. The amount of deferred tax assets recognized is limited to the amount that is probable to be realized.

k) Revenue

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Interest income is recognized as interest accrues.

l) Loss per share

Basic loss per share is 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 is computed by dividing the net income or loss attributable to common shareholders by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. In periods when a loss is incurred, this calculation is anti-dilutive.

m) Financial instruments

i. Non-derivative financial assets

The Company classifies its financial assets into the following categories:

Fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets in this category are measured at fair value, with any changes therein recognized in profit or loss when incurred, along with any directly attributable transaction costs.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company's cash and accounts receivable have been classified as loans and receivables.

ii. Non-derivative financial liabilities

The Company's accounts payable and accrued liabilities and promissory notes are classified as other financial liabilities, based on the purpose for which the liabilities were incurred. These financial liabilities are initially recognized at fair value net of any directly attributable transactions costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

iii. Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets and if it can be reliably measured.

n) Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective April 1, 2015. These changes were made in accordance with the applicable transitional provisions. The nature and effect of the changes are explained below.

IFRS 8 - Operating Segments ("IFRS 8") was amended to require an entity to disclose the judgments made by Management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. The amendments are effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the consolidated financial statements.

IFRS 13 - **Fair Value Measurement ("IFRS 13"**) was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the consolidated financial statements.

IAS 24 - Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

The Company conducted a review of the amendment to this standard and determined that it did not result in any material change to the consolidated financial statements.

o) New accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been evaluated to determine their impact on the Company.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

(in Canadian dollars)

3. EQUIPMENT

Cost	Computer equipment	Total
Balance – March 31, 2014 to March 31, 2016	**$36,184**	**$36,184**

Accumulated depreciation	Computer equipment	Total
Balance – March 31, 2014	$31,854	$31,854
Depreciation	4,330	4,330
Balance –March 31, 2015	**$35,184**	**$35,184**
Depreciation	1,000	1,000
Balance – March 31, 2016	**$36,184**	**$36,184**

Net book value	Computer equipment	Total
March 31, 2015	$1,000	$1,000
March 31, 2016	**$-**	**$-**

4. MINERAL EXPLORATION PROPERTIES

	Guatemala		
	Torlon Hill (a)	**Other (b)**	**Total**
Balance – Mar.31, 2014	**$1,263,260**	**$16,885**	**$1,280,145**
Additions	4,454	-	4,454
Write-downs	(283,061)	-	(283,061)
Balance - Mar. 31, 2015	**$984,653**	**$16,885**	**$1,001,538**
Additions	516	-	516
Balance – Mar. 31, 2016	**$985,169**	**$16,885**	**$1,002,054**

The Company's only significant assets in Guatemala are the mineral exploration properties.

(a) Torlon Hill Project

The 100%-owned Torlon Hill Project consists of the Torlon Hill, Orbita and Saturno properties. During the year ended March 31, 2016, the Company recorded write-downs of $nil (2015 - $283,061) for the Orbita and Saturno projects, being their carrying values, as the Company has no future exploration plans for these properties.

(in Canadian dollars)

(b) Other Guatemala Properties

In December 2008, the Company acquired a 100% interest in 12 exploration concessions in Guatemala for total consideration of 310,000 common shares. The concessions are subject to a 2% NSR in favour of the vendors, of which 1% may be purchased by Firestone for US$1,250,000. The Company has retained 2 out of the 12 original properties.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade accounts payable	**$128,180**	$182,666
Due to related parties (note 14(b))	**10,180**	10,411
Accrued liabilities	**65,000**	55,600
Payroll liabilities	**6,687**	12,164
	$210,047	$260,841

6. PROMISSORY NOTES

During the year ended March 31, 2016, the Company received a total of $148,734 (2015 - $258,537) from a company controlled by a director, to be used for working capital purposes. The advances take the form of promissory notes, are unsecured, non-interest bearing and repayable within 30 days written notice of demand by the lenders. As at March 31, 2016, $500,991 (2015 - $352,257) is due to the company controlled by a director. In addition, $25,000 (2015 - $25,000) is due to a former director. This amount is unsecured, non-interest bearing and repayable within 30 days written notice of demand.

7. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common and preferred shares, without par value.

a) Issued share capital during the years ended March 31, 2016 and 2015

During the years ended March 31, 2016 and 2015 there were no equity issuances.

b) Stock options

The Company maintains a stock option plan (the “Plan”) under which directors, senior officers, employees and consultants of the Company and its affiliates are eligible to receive stock options. The maximum number of common shares reserved for issuance under the Plan is 10% of the issued shares of the Company at the time of granting the options.

During the year ended March 31, 2016, 25,000 (2015 – 2,535,000) stock options previously granted to officers, directors and consultants, expired.

(in Canadian dollars)

The following table summarizes information about the Company's stock options outstanding and exercisable:

	2016		2015	
	Number of options outstanding and exercisable	**Weighted average exercise price**	Number of options outstanding and exercisable	Weighted average exercise price
Balance – beginning of year	50,000	$0.50	2,585,000	$0.11
Expired	(25,000)	(0.50)	(2,535,000)	0.10
Balance – end of year	**25,000**	**$0.50**	**50,000**	**$0.50**

The following table summarizes information about the Company's stock options outstanding and exercisable as at March 31, 2016:

Expiry Date	**Weighted average remaining life (years)**	**Number**	**Weighted average exercise price**
March 22, 2017	**1.0**	**25,000**	**$0.50**

8. EXPLORATION EXPENSE

	2016	2015
Salaries and geological consulting	**$17,067**	$23,560
Transportation	**1,198**	809
Equipment rentals	**-**	2,640
Environmental, community relations (recovery)	**-**	1,441
	$18,265	$28,450

(in Canadian dollars)

9. GENERAL AND ADMINISTRATIVE EXPENSE

	2016	2015
Management fees (note 14)	**$45,333**	$112,000
Office and insurance	**22,011**	43,515
Professional fees	**19,268**	24,380
Travel, shareholder relations and promotion	**5,597**	3,471
Depreciation	**1,000**	3,330
Consulting fees	**-**	995
	$93,209	$187,691

10. BASIC AND DILUTED LOSS PER SHARE

For the years ended March 31, 2016 and 2015, the weighted average number of common shares outstanding was 36,823,991 and the effect of outstanding stock options on loss per share was anti-dilutive. As such, the effect of outstanding stock options used to calculate the diluted loss per share has not been disclosed for the years presented.

11. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2015 – 26.5%) were as follows:

	2016	2015
(Loss) before income taxes	**$(95,311)**	$(330,892)
Expected income tax recovery on statutory rate	**(25,000)**	(88,000)
Adjustment to expected income tax benefit:		
Expenses not deductible for tax purposes	**6,000**	91,000
Change in tax rates and other	**(58,000)**	(103,000)
Change in benefit of tax assets not recognized	**77,000**	100,000
Deferred income tax provision (recovery)	**$-**	$-

b) Deferred Income Tax

	2016	2015
Non-capital loss carry-forwards	**$6,408,000**	$6,324,000
Mineral exploration property costs	**367,000**	367,000
Other temporary differences	**625,000**	201,000
Total deductible temporary differences	**$7,400,000**	$6,892,000

(in Canadian dollars)

The tax losses expire from 2025 to 2036. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

12. SUPPLEMENTAL CASH FLOW INFORMATION

Net change in non-cash working capital

	2016	2015
Accounts receivable	**$(2,408)**	$4,330
Prepaid expenses and deposits	**(1,878)**	23,359
Accounts payable and accrued liabilities	**(50,794)**	(250,498)
	$(55,080)	$(222,809)

13. FINANCIAL RISK MANAGEMENT

a) Fair value of financial instruments

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and promissory notes. The fair values of cash, accounts receivable, accounts payable, accrued liabilities and promissory notes approximate their carrying amounts due to the short terms to maturity. The Company has no unrecognized financial instruments or derivative financial instruments.

b) Risk management

The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time. As at March 31, 2016, the Company had current assets of $24,909 (2015 - $15,796) including cash of $7,393 (2015 - $2,566) to settle current accounts payable and accrued liabilities of $210,047 (2015 - $260,841) and promissory notes of $525,991 (2015 - $377,257). As the Company has no producing assets, continued operations are highly dependent upon the Company's ability to raise adequate financing through equity issuances, through debt or by the disposition of assets. See note 16.

Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable. To minimize this risk, cash has been placed with a major financial institution. Cash is available on demand and is not invested in commercial paper or asset-backed security programs.

The only account receivable of the Company is the federal Harmonized Sales Tax and the Company considers this as fully collectible. Therefore at March 31, 2016, the maximum exposure to credit risk relates only to $7,393 cash (2015 - $2,566).

Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds its cash resources principally in Canadian dollars with a secondary amount held in United States dollars and Guatemalan quetzals. The Company regularly incurs general and administrative expenses and exploration expense in United States dollars and Guatemalan quetzals. A strengthening Canadian dollar relative to these currencies decreases the Company's reported expenses. However, a strengthening Canadian dollar results in a foreign exchange loss on the Company's non-Canadian monetary assets. The Company does not use any derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchanges rates.

During the year ended March 31, 2016, the Canadian dollar decreased against the United States dollar which resulted in a net foreign exchange gain of $912 (2015 – loss of $1,616).

At March 31, 2016, the Company has United States dollar denominated cash and accounts payable and accrued liabilities of US$269 and US$26,215 respectively (2015 – US$274 and US$31,527 respectively). Based on these net exposures at March 31, 2016, a 10% appreciation of the Canadian dollar against the United States dollar would result in a decrease of approximately $2,600 in the Company's net loss (2015 - $3,100).

Other price risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

It is management's opinion that the Company is not exposed to other significant market risks arising from its financial instruments.

c) Capital management

The Company considers its capital structure to include equity. The Company's capital management objective is to ensure that there are adequate capital resources to fund planned exploration, sustain operations, and continue as a going concern.

The Company manages its capital and makes adjustments to it in light of changes in economic conditions and the characteristics of mineral property assets. In order to maintain or adjust the capital structure, the Company may from time to time issue shares to finance its exploration spending and operational needs. There were no changes in the Company's approach to capital management during the years ended March 31, 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of March 31, 2016 the Company may not be compliant with the policies of the TSXV but has not been notified of such a deficiency or any possible impact, which is ultimately dependent on the discretion of the TSXV.

(in Canadian dollars)

14. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management personnel are the Company's directors and officers. The compensation paid or payable to key management for management services provided is as follows:

	2016	2015
Short-term compensation – management fees	**$45,333**	$112,000

These transactions are in the normal course of operations and are measured at the amount of consideration established by the related parties.

b) Other transactions

During the year ended March 31, 2016, a company controlled by a director of the Company provided rent-free office space to the Company. Accordingly, the Company recorded a $6,000 (2015 - $12,000) benefit, being the estimate of rent the Company would have paid on normal commercial terms. This amount was charged to general and administrative expense and contributed surplus. Effective October 1, 2015, the Company entered into a service cost agreement with the company controlled by a director for an annual cost of $6,000. At March 31, 2016, $30,000 (2015 - $nil) is owed to this company. This amount is unsecured, non-interest bearing and due on demand.

At March 31, 2016, there is $10,180 due to related parties recorded in accounts payable and accrued liabilities (2015 - $10,411). These amounts are unsecured, non-interest bearing and due on demand.

At March 31, 2016 a total of $6,618 (2015 - $6,618) is owed for legal services provided by a law firm, of which a director is the senior partner. This amount is unsecured, non-interest bearing and due on demand.

See notes 6 and 16.

15. CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment.

Accordingly, the Company has lodged a 500,000 ($82,050) Quetzal environmental bond of which the Company has paid $12,578 (2015 - $12,531) and is included in prepaid expenses and deposits, in connection with any potential reclamation costs to be incurred by the Company in connection with its projects in Guatemala.

16. SUBSEQUENT EVENTS

Subsequent to year-end, the Company has received further advances in the amount of $29,000 from a company controlled by a director, to be used for working capital purposes. The advances take the form of a promissory note which is unsecured, non-interest bearing and repayable within 30 days of a written notice of demand by the lender.

Subsequent to year-end, 3,375,000 stock options were granted to directors, officers and consultants of the Company. Each option is exercisable into one common share at a price of $0.05 per share for a period of five years. 125,000 stock options vested immediately and 3,250,000 stock options vest, 1/3 on each of the date of grant, the first anniversary and the second anniversary from the date of grant.