

**ROMIOS GOLD RESOURCES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended September 30, 2015  
(unaudited)  
(Expressed in Canadian \$)**

**Romios Gold Resources Inc.  
(the "Company")  
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 25<sup>th</sup> day of November, 2015.

**ROMIOS GOLD RESOURCES INC.**

Per: (signed) "Tom Drivas"  
Name: Tom Drivas  
Title: Chief Executive Officer

Per: (signed) "Michael D'Amico"  
Name: Michael D'Amico  
Title: Chief Financial Officer

# Romios Gold Resources Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Cdn \$)

(Unaudited)

| As at                                             | September 30<br>2015<br>\$ | June 30<br>2015<br>\$ |
|---------------------------------------------------|----------------------------|-----------------------|
| <b>Assets</b>                                     |                            |                       |
| Current                                           |                            |                       |
| Cash and cash equivalents (note 4)                | 432,684                    | 524,492               |
| Accounts receivable                               | 4,010                      | 12,620                |
| Prepaid expenses                                  | 71,879                     | 61,516                |
| <b>Total current assets</b>                       | <b>508,573</b>             | <b>598,628</b>        |
| <b>Exploration and evaluation assets (note 5)</b> |                            |                       |
| Acquisition costs                                 | 4,265,509                  | 4,265,509             |
| <b>Total assets</b>                               | <b>4,774,082</b>           | <b>4,864,137</b>      |
| <b>Liabilities</b>                                |                            |                       |
| Current                                           |                            |                       |
| Accounts payable & accruals                       | 201,221                    | 165,225               |
| <b>Total liabilities</b>                          | <b>201,221</b>             | <b>165,225</b>        |
| <i>Contingencies and commitments (note 11)</i>    |                            |                       |
| <b>Shareholders' equity</b>                       |                            |                       |
| Share capital (note 6(a))                         | 30,871,993                 | 30,871,993            |
| Contributed surplus (note 7)                      | 4,045,204                  | 4,045,204             |
| Deficit                                           | (30,344,336)               | (30,218,285)          |
| <b>Total shareholders' equity</b>                 | <b>4,572,861</b>           | <b>4,698,912</b>      |
| <b>Total liabilities and shareholders' equity</b> | <b>4,774,082</b>           | <b>4,864,137</b>      |

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

APPROVED ON BEHALF OF THE BOARD on November 25, 2015.

"Signed"

Anastasios (Tom) Drivas

"Signed"

Frank van de Water

## Romios Gold Resources Inc.

### Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Cdn \$)

(Unaudited)

|                                                                  | Share Capital<br>\$ | Contributed Surplus<br>\$ | Deficit<br>\$ | Total<br>\$ |
|------------------------------------------------------------------|---------------------|---------------------------|---------------|-------------|
| <b>At June 30, 2014</b>                                          | 30,871,993          | 3,925,568                 | (29,670,348)  | 5,127,213   |
| Net loss and comprehensive loss for the period (Restated Note 2) | -                   | -                         | (126,267)     | (126,267)   |
| Share-based compensation                                         | -                   | 35,505                    | -             | 35,505      |
| <b>At September 30, 2014</b>                                     | 30,871,993          | 3,961,073                 | (29,796,615)  | 5,036,451   |
| Net loss and comprehensive loss for the period (Restated Note 2) | -                   | -                         | (421,670)     | (421,670)   |
| Share-based compensation                                         | -                   | 84,131                    | -             | 84,131      |
| <b>At June 30, 2015</b>                                          | 30,871,993          | 4,045,204                 | (30,218,285)  | 4,698,912   |
| Net loss and comprehensive loss for the period                   | -                   | -                         | (126,051)     | (126,051)   |
| <b>At September 30, 2015</b>                                     | 30,871,993          | 4,045,204                 | (30,344,336)  | 4,572,861   |

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

# Romios Gold Resources Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Cdn \$)

(Unaudited)

|                                                       | For the three months ended<br>September 30 |                          |
|-------------------------------------------------------|--------------------------------------------|--------------------------|
|                                                       | 2015                                       | 2014                     |
|                                                       |                                            | Restated<br>(See Note 2) |
|                                                       | \$                                         | \$                       |
| <b>Expenses</b>                                       |                                            |                          |
| Operating activities:                                 |                                            |                          |
| Exploration expenses                                  | 28,197                                     | 164,032                  |
| Less: provincial refunds                              | -                                          | (165,248)                |
| Net exploration expenses                              | (28,197)                                   | 1,216                    |
| General and administrative expenses:                  |                                            |                          |
| Professional fees                                     | 18,112                                     | 18,481                   |
| Management fees and salaries                          | 49,017                                     | 49,950                   |
| Office and general                                    | 26,759                                     | 25,355                   |
| Shareholder communication                             | 5,087                                      | 2,516                    |
| Share-based compensation                              | -                                          | 35,505                   |
| Total general and administrative expenses             | (98,975)                                   | (131,807)                |
| Loss for the period before the following              | (127,172)                                  | (130,591)                |
| Interest income                                       | 1,121                                      | 4,324                    |
| <b>Net loss and comprehensive loss for the period</b> | <b>(126,051)</b>                           | <b>(126,267)</b>         |
| Basic and diluted loss per share                      | 0.00                                       | 0.00                     |
| Weighted average number of shares outstanding         | 158,362,001                                | 158,362,001              |

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

# Romios Gold Resources Inc.

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Cdn \$)

(Unaudited)

|                                                 | For the three months ended<br>September 30 |                |
|-------------------------------------------------|--------------------------------------------|----------------|
|                                                 | 2015                                       | 2014           |
|                                                 |                                            | Restated       |
|                                                 |                                            | (See Note 2)   |
|                                                 | \$                                         | \$             |
| <b>Operating activities</b>                     |                                            |                |
| Net loss for the period                         | (126,051)                                  | (126,267)      |
| Items not affecting cash:                       |                                            |                |
| Share-based compensation                        | -                                          | 35,505         |
|                                                 | (126,051)                                  | (90,762)       |
| Net change in non-cash working capital          |                                            |                |
| Accounts receivable                             | 8,611                                      | (4,004)        |
| Prepaid expenses                                | (10,364)                                   | (7,272)        |
| Accounts payable and accrued liabilities        | 35,996                                     | 10,528         |
| Net cash used in operating activities           | (91,808)                                   | (91,509)       |
| Change in cash and cash equivalents             | (91,808)                                   | (91,509)       |
| Cash and cash equivalents, beginning of period  | 524,492                                    | 913,874        |
| <b>Cash and cash equivalents, end of period</b> | <b>432,684</b>                             | <b>822,365</b> |
| <b>Cash comprises:</b>                          |                                            |                |
| Cash and cash equivalents                       | 432,684                                    | 822,365        |

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

## **ROMIOS GOLD RESOURCES INC.**

### ***Notes to Condensed Interim Consolidated Financial Statements***

**September 30, 2015**

**(Expressed in Canadian dollars unless otherwise stated)**

#### **1. Nature of operations and going concern**

Romios Gold Resources Inc. ("Romios" or "the Company") is a listed public Company incorporated under the Ontario Business Corporations Act and has interests in resource properties which are being explored and evaluated to determine their economic viability. The registered office and location of corporate records is Suite 1220, 20 Toronto St., Toronto, Ontario.

These unaudited condensed interim consolidated financial statements ("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. As at September 30, 2015 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of \$307,352 as at September 30, 2015, and has incurred losses since inception, resulting in an accumulated deficit of \$30,344,336 as at September 30, 2015. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption is not appropriate. If the "going concern" assumption is not appropriate, adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

#### **2. Basis of preparation and statement of compliance with IAS 34**

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company's IFRS annual reporting date, June 30, 2016.

These Financial Statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2015 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of June 30, 2015.

During the year ended June 30, 2015, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received.

Under the new policy, only the original acquisition costs of exploration and evaluation properties are capitalized and all expenditures incurred to explore prior to the establishment of technical feasibility and

commercial viability of extracting mineral resources and prior to a decision to proceed with mine development, net of recoveries received are charged to operations as incurred.

In accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company has retrospectively applied this change in accounting policy.

Management considers this accounting policy provides more reliable and relevant information and more clearly represents the Company's results and financial position.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the three months ended September 30, 2015 may not be indicative of the results that may be expected for the year ending June 30, 2016.

### 3. Summary of significant accounting policies

Readers should refer to the June 30, 2015 annual consolidated financial statements for the accounting policies used in the preparation of these Financial Statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at June 30, 2016. In the event that accounting policies adopted at June 30, 2016 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at June 30, 2016.

The accounting policies set out below have been applied consistently to all periods presented in the Statements and in preparing the opening IFRS statement of financial position at July 1, 2010 for the purpose of the transition to IFRS unless otherwise indicated.

#### Principles of consolidation

The Statements include the accounts of 100% owned McLymont Mines Inc. All inter-company accounts and transactions have been eliminated on consolidation.

#### Presentation Currency

The Company's presentation currency and functional currency is the Canadian dollar ("C\$").

### 4. Cash and cash equivalents

Cash and cash equivalents and cash and cash equivalents held for future exploration activities consist of cash and investments in Canadian Chartered Bank demand money market funds.

### 5. Exploration and evaluation assets

| Acquisition costs                               | British<br>Columbia<br>\$ | Quebec<br>\$ | Nevada,<br>USA<br>\$ | Total<br>\$ |
|-------------------------------------------------|---------------------------|--------------|----------------------|-------------|
| Balance, June 30, 2014                          | 4,132,964                 | 74,997       | 38,466               | 4,246,427   |
| Total additions for the period                  | 30,000                    | -            | -                    | 30,000      |
| Write-offs                                      | (10,918)                  | -            | -                    | (10,918)    |
| Balance June 30, 2015 and<br>September 30, 2015 | 4,152,046                 | 74,997       | 38,466               | 4,265,509   |

The Company's total holdings in the Golden Triangle area are approximately 75,996 hectares (187,800 acres). Additional acquisition costs for British Columbia relate primarily to the value of shares for property payment obligations and maintenance fees for claims.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. In 2007, 2008 and 2009, acquisition costs for exploration and evaluation properties located in B.C., Ontario and Nevada were written off in the total amount of \$419,549.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Amounts expended to date for exploration and evaluation activities for each area are summarized below. These amounts have been charged to the statement of loss and comprehensive loss.

|                                | <b>British<br/>Columbia<br/>\$</b> | <b>Quebec<br/>\$</b> | <b>Ontario<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------|------------------------------------|----------------------|-----------------------|---------------------|
| Balance, June 30, 2014         | 20,435,447                         | 959,829              | 213,913               | 21,609,189          |
| Total additions for the period | 187,792                            | 15,151               | 13,126                | 216,069             |
| British Columbia refund        | (205,138)                          | -                    | -                     | (205,138)           |
| Balance, June 30, 2015         | 20,418,101                         | 974,980              | 227,039               | 21,620,120          |
| Total additions for the period | 27,858                             | 339                  | -                     | 28,197              |
| Balance, September 30, 2015    | 20,445,959                         | 975,319              | 227,039               | 21,648,317          |

(1) Amounts shown are net of refunds totalling \$441,053 received from the province of British Columbia.

(2) Amounts shown are net of refunds totalling \$426,400 received from the province of Quebec (2014 - \$4,145; 2012 - \$56,906; 2011 - \$20,021 and 2010 - \$345,328).

## 6. Share capital

### (a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares.

|                                           | <b>Number<br/>#</b> | <b>Amount<br/>\$</b> |
|-------------------------------------------|---------------------|----------------------|
| Balance, June 30, 2013                    | 156,762,001         | 30,796,443           |
| Flow through units issued December 2013   | 1,600,000           | 80,000               |
| Share issue costs                         | -                   | (4,450)              |
| Balance, June 30, 2014 and September 2015 | 158,362,001         | 30,871,993           |

## **(b) Common share purchase options**

The Company has a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at September 30, 2015, 8,950,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

|                                                             | <b>Options<br/>#</b> | <b>Weighted-average<br/>exercise price<br/>\$</b> |
|-------------------------------------------------------------|----------------------|---------------------------------------------------|
| Outstanding at June 30, 2014                                | 11,850,000           | 0.14                                              |
| Expired                                                     | (2,900,000)          | 0.14                                              |
| Outstanding at June 30, 2015 and September 30, 2015         | 8,950,000            | 0.13                                              |
| Options exercisable at June 30, 2015 and September 30, 2015 | 8,950,000            | 0.13                                              |

| Number of<br>stock options | Number<br>exercisable | Remaining<br>contractual life | Exercise price per<br>share | Expiry date   |
|----------------------------|-----------------------|-------------------------------|-----------------------------|---------------|
| 2,900,000                  | 2,900,000             | 20.4 months                   | \$0.20                      | June 12, 2017 |
| 250,000                    | 250,000               | 30.3 months                   | \$0.10                      | April 9, 2018 |
| 5,800,000                  | 5,800,000             | 43.2 months                   | \$0.10                      | May 5, 2019   |
| 8,950,000                  | 8,950,000             |                               |                             |               |

The weighted average fair value of all the options granted and outstanding is \$0.13 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest of 2.0%, expected dividend yield of nil, average expected volatility of 126.85% and expected life term of 60 months. Under this method of calculation, the Company has recorded \$nil as stock based compensation during the three months ended September 30, 2015, being the fair value of the options vested during the three months ended September 30, 2015. Options that have been issued and remain outstanding vest either immediately on the date of grant, or in equal instalments over a period of up to eighteen months from the date of grant.

## **(c) Warrants**

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues. There are currently no warrants outstanding.

## **7. Contributed surplus**

A summary of changes in contributed surplus is:

|                                               | <b>Amount<br/>\$</b> |
|-----------------------------------------------|----------------------|
| Balance, June 30, 2014                        | 3,925,568            |
| Share-based compensation                      | 119,636              |
| Balance, June 30, 2015 and September 30, 2015 | 4,045,204            |

The number of common shares outstanding on September 30, 2015 was 158,362,001. Taking into account outstanding share purchase options and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on September 30, 2015 was 168,312,001.

## 8. Related party transactions

During the three months ended September 30, 2015, the Company incurred related party expenses of \$44,850 (2014 – \$49,950). These expenses related to salary and consulting fees paid or payable to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Frank van de Water, Chief Operating Officer, Thomas Skimming, V.P. Exploration and Michael D'Amico, Chief Financial Officer. As at September 30, 2015, \$103,164 (2014 - \$41,949) was due and payable to these related parties. Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended September 30, 2015 and 2014.

Share-based compensation to key management and directors for the three months ended September 30, 2015 was \$nil (2014 - \$29,077).

During the three months ended September 30, 2015, the Company incurred expenses of \$12 (2014 - \$315) for legal fees to a law firm related to a Director of the Company, William R. Johnstone. At September 30, 2015, \$12 (2014 - \$315) was due and payable.

During the three months ended September 30, 2015, the Company incurred expenses of \$5,500 (2014 - \$4,000) related to directors' fees to independent directors. At September 30, 2015, \$ 25,500 (2014 - \$10,000) was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 9. Financial instruments and risk management

### Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, AFS financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sales are classified into the following categories:

|                                            | <b>September 30<br/>2015</b> | June 30<br>2015 |
|--------------------------------------------|------------------------------|-----------------|
|                                            | <b>\$</b>                    | <b>\$</b>       |
| FVTPL <sup>(1)</sup>                       | <b>432,684</b>               | 524,492         |
| Loans and receivables <sup>(2)</sup>       | <b>4,010</b>                 | 12,620          |
| Other financial liabilities <sup>(3)</sup> | <b>36,677</b>                | 37,538          |

(1) Includes cash, committed cash and short-term investments.

(2) Includes accounts receivable related to HST tax refunds.

(3) Includes accounts payable.

### Financial Instruments

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

- (i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
- (ii) HST receivable is designated as loans and receivables and is recorded at cost.
- (iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

#### Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

#### Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows or from the proceeds of disposition of the properties. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper, silver and molybdenum, planned production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties.

#### **(a) Market risk**

##### *(i) Price risk*

##### *Commodity price risk*

The price of gold and base metals may have an impact on the Company's exploration projects.

##### *Sensitivity price risk*

Anticipated changes in the value of gold and base metals would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

##### *(ii) Cash flow fair value interest rate risk*

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

#### **(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with Canadian Chartered Banks as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the Statements are at cost.

#### **(c) Liquidity risk**

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual

cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

## **10. Capital disclosures**

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, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will raise additional amounts as needed. 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.

The Company is not subject to externally imposed capital requirements.

## **11. Contingencies and commitments**

As at September 30, 2015:

- a) the Company has a lease commitment to December 31, 2015 for its principle office location which totals \$9,000, and
- b) the Company has \$40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses.