CLYDESDALE RESOURCES INC.

Interim Consolidated Financial Statements

Three Months Ended June 30, 2016

(Expressed in Canadian dollars)

(unaudited – prepared by management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors, Saturna Group Chartered Accountants LLP, have not performed a review of these interim consolidated financial statements.

CLYDESDALE RESOURCES INC.
Consolidated interim statements of financial position
(Expressed in Canadian dollars)

	June 30, 2016 $	March 31, 2016 $
	(unaudited)	(audited)
Assets		
Current Assets		
Cash	80,771	97,129
Marketable securities (Note 3)	2,090	2,090
Amounts receivable	24,087	25,396
Prepaid expenses	1,006	1,006
Loan receivable (Note 4)	336,870	336,870
Total Current Assets	444,824	462,491
Non-current Assets		
Property and equipment (Note 5)	-	-
Total Non-current Assets	-	-
Total Assets	444,824	462,491
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	15,842	9,760
Due to related parties (Note 7)	71,987	71,612
Total Liabilities	87,829	81,372
Shareholders' Equity		
Share capital	3,763,592	3,763,592
Share-based payment reserve	721,483	721,483
Accumulated other comprehensive income (Note 3)	-	-
Deficit	(4,128,080)	(4,103,956)
Total Shareholders' Equity	356,995	381,119
Total Liabilities and Shareholders' Equity	444,824	462,491

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board on August 29, 2016:

/s/ "Kevin Russell"

Kevin Russell, Director

/s/ "Eugene Sekora"

Eugene Sekora, Director

CLYDESDALE RESOURCES INC.
Consolidated interim statements of comprehensive earnings (loss)
(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2016 $	Three months ended June 30, 2015 $
Revenue	_	_
Expenses		
Amortization	-	-
Management fees(Note 6)	7,500	7,500
Office and miscellaneous	3,192	8,369
Professional fees (Note 6)	9,500	9,450
Rent	-	-
Transfer agent and filing	3,932	4,360
Total Expenses	24,124	29,679
Loss before other income	(24,124)	(29,679)
Other income (loss)		
Write off of payables	-	-
Loss on sale of securities	-	(121)
Net (loss) earnings	(24,124)	(29,800)
Loss per share, basic and diluted	-	-
Weighted average number of shares outstanding	34,283,475	34,283,475

CLYDESDALE RESOURCES INC.
Consolidated interim statement of changes in equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Share-based payment reserve	Other Income (Note 3)	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$	$
Balance, April 1, 2016	34,283,475	3,763,592	721,483	-	(4,103,956)	381,119
Net loss for the period	–	–	–	-	(24,124)	(24,124)
Balance, June 30, 2016	34,283,475	3,763,592	721,483	-	(4,128,080)	356,995

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, April 1, 2015	34,283,475	3,763,592	721,483	(4,000,389)	484,686
Net loss for the period	–	–	–	(29,800)	(29,800)
Balance, June 30, 2015	34,283,475	3,763,592	721,483	(4,030,189)	454,886

CLYDESDALE RESOURCES INC.

Consolidated interim statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2016 $	Three months ended June 30, 2015 $
Operating activities		
Net (loss)earnings for the period	(24,124)	(29,800)
Items not involving cash:		
Amortization	-	-
Write off old payables	-	-
Changes in non-cash operating working capital:		
Amounts receivable	1,309	(856)
Due to related parties	375	15,375
Accounts payable and accrued liabilities	6,082	1,270
Net cash used in operating activities	(16,358)	(14,011)
Investing activities		
Loan receivable	-	(25,000)
(Purchase) of marketable securities	-	(2,090)
Sale of marketable securities	-	20,246
Net cash used in investing activities	-	(6,844)
Decrease in cash	(16,358)	(20,855)
Cash beginning of period	97,129	324,162
Cash, end of period	80,771	303,307
Supplemental disclosures:		
Interest	–	–
Income taxes	–	–

1. Nature of Operations and Continuance of Business

Clydesdale Resources Inc. (the "Company") was incorporated under the laws of the province of British Columbia. The Company is in the exploration stage and is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for these properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on the 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. As at June 30, 2016, the Company has not generated any revenues from operations and has an accumulated deficit of $4,128,080. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation and Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting of the International Financial Reporting Standards ("IFRS"). These financial statements do not include all of the information required for full annual financial statements.

These financial statements have been prepared on a historical cost basis except for financial instruments noted in Note 2(g) which are measured at fair value. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Otish Mountain Diamonds Inc. All inter-company transactions have been eliminated. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The interim consolidated financial statements were authorized for issuance by the Board of Directors on August 29, 2016.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the impairment of exploration and evaluation expenditures, determination of reclamation provisions, measurement of share-based payments, and deferred income tax asset valuation allowances.

2. Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in fair value to be cash equivalents.

(d) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

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.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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.

Mineral Property Options

The Company does not record any expenditures made by the optionee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation option arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized.

(e) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

2. Significant Accounting Policies (continued)

(e) Reclamation and Remediation Provisions (continued)

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statements of comprehensive income/loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(f) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of income.

(g) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

2. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

(ii) Non-derivative financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any financial assets classified as fair value through profit or loss. The Company's cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. 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. Loans and receivables are comprised of amounts receivable.

2. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(iii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

(iii) Share capital

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

(h) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(j) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

2. Significant Accounting Policies (continued)

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share; are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss.

(m) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(n) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2013, and have not been applied in preparing these financial statements.

(i) Effective for annual periods beginning on or after July 1, 2012:

Amendments to IAS 1 "Presentation of Financial Statements"

In June 2011, the IASB issued amendments to IAS 1 to require companies to group together items within other comprehensive income ("OCI") that may be reclassified to the statement of income. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two separate statements. The amendments are to be applied retrospectively.

2. Significant Accounting Policies (continued)

(n) Accounting Standards Issued But Not Yet Effective

(ii) Effective for annual periods beginning on or after January 1, 2013:

New Standard IFRS 10, "Consolidated Financial Statements"

In May 2011, the IASB issued IFRS 10 to replace portions of IAS 27, "Consolidated and Separate Financial Statements" and interpretation SIC-12, "Consolidated - Special Purpose Entities". IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgement and a continuous reassessment as facts and circumstances change.

New standard IFRS 11, "Joint Arrangements"

In May 2011, the IASB issued IFRS 11 to replace IAS 31, "Interest in Joint Ventures". The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting.

New standard IFRS 12 "Disclosure of Interest in Other Entities"

In May 2011, the IASB issued IFRS 12. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements.

New standard IFRS 13, "Fair Value Measurement"

In May 2011, the IASB issued IFRS 3. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price.

Effective for annual periods beginning on or after January 1, 2015:

New standard IFRS 9, "Financial Instruments"

Partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets that are in the scope of IAS 39. The standard requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if two criteria are met: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and (b) the contractual cash flows under the instrument solely represent payments of principal and interest. If a financial asset meets the criteria to be measured at amortized cost, it can be designated at fair value through profit or loss under the fair value option, if doing so would significantly reduce or eliminate an accounting mismatch. If a financial asset does not meet the business model and contractual terms criteria to be measured at amortized cost, then it is subsequently measured at fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements, 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.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(n) Accounting Standards Issued But Not Yet Effective (continued)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Marketable Securities

	Original Cost	Unrealized Gain	2016 Fair Value
	$	$	$
Midlands Minerals Corp	2,090	-	2,090

During the period ended June 30, 2015, the Company purchased 399,000 common shares of Midlands Minerals Corp, at $0.005 per share for $2,090. At June 30, 2016, the common shares had a fair value of $2,090.

4. Loan Receivables

Coal-Par Power Resources Corp

On March 31, 2014, the Company provided a loan to Coal-Par Power Resources Corp for $25,000. Under the terms of the loan, the amount is unsecured, bears interest at a rate of 24% per annum, and is due on the earlier of i) October 10, 2014; ii) the completion of a going public transaction by Coal-Par Power Resources Corp; or iii) the conversion of the loan. In addition, the loan is convertible into common shares of Coal-Par at $0.15 per share, where each unit is comprised of one common share of Coal-Par and one warrant which entitles the Company to purchase one additional common share of Coal-Par at $0.20 per share for a period of 24 months from the issuance of the warrants. If the debt is not converted upon maturity, the Company will also receive 16,666 warrants, with each warrant entitling the Company to purchase one common share of Coal-Par at $0.15 per share for a period of 24 months from the issuance of warrants.

Firebird Resources Inc.

During the year end March 31, 2015, the Company provided loans to Firebird Resources Inc. for $92,000. The loan is unsecured, bears interest at 10%, and is due on April 30, 2015.

In addition on April 23, 2015, the Company provided a loan to Firebird Resources Inc. for $25,000. The loan is unsecured, bears interest at 10%, and is due on July 31, 2015.

On February 27, 2015, the Company provided a loan to Jescorp Capital Inc. for $90,000. The loan is unsecured, bears interest at 12%, and is due on August 27, 2015.

(Expressed in Canadian dollars)

5. Property and Equipment

	Office Equipment $
Cost:	
Balance, June 30, 2016 and June 30, 2015	578
Accumulated depreciation:	
Balance, March 31, 2016	578
Additions	-
Balance, June 30, 2016	578
Carrying amounts:	
As at June 30, 2016	-
As at March 31, 2016	-

6. Exploration and Evaluation Assets

	Mountain of Gold $	Semple $	Total $
Balance, March 31, 2016	-	-	-
Balance, June 30, 2016	-	-	-

Mountain of Gold Property

On December 22, 2011, the Company entered into an option agreement to earn a 50% interest in the property located in the Porcupine mining division of Ontario.

The terms of the agreement obligate the Company to make option payments totalling $125,000 and incur exploration expenditures totalling $250,000 as follows:

Cash consideration to be paid:

- $25,000 to be paid on or before January 15, 2012 (paid);
- a further $50,000 to be paid on or before December 31, 2012 (unpaid) (Company can elect to pay in shares); and

6. Exploration and Evaluation Assets (continued)

- a further $50,000 to be paid on or before December 31, 2014.

Exploration expenditures to be incurred:

- $50,000 before December 31, 2012;
- $150,000 in aggregate before December 31, 2013; and
- $100,000 in aggregate before December 31, 2014.

(Expressed in Canadian dollars)

During the year ended March 31, 2013, the Company failed to meet the terms and obligations of the option agreement and decided to discontinue exploration, resulting in an impairment of $25,000.

Semple Property

On March 19, 2012, the Company entered into an option agreement whereby the Company has the right to 100% of the property located in the Porcupine mining division of Ontario.

The terms of the agreement obligate the Company to make an option payment of $10,000 (paid) and issue 125,000 common shares. On June 29, 2012, the Company disposed of their rights to the Semple property to Monster Uranium Corp., a company related by common directors, in exchange for $15,000 (received July 31, 2012) and the discharge to the Company of the issuance of the 125,000 common shares due to the optionor.

7. Related Party Transactions

(a) During the three months ended June 30, 2016, the Company incurred management fees of $7,500 (2015 - $7,500) to the President of the Company.

(b) During the three months ended June 30, 2016, the Company incurred accounting fees of $7,500 (2015 - $7,500) to the Chief Financial Officer of the Company.

(c) As at June 30, 2016, the amount of $15,842 (June 30, 2015 - $14,458) was owed to the President of the Company, which is non-interest bearing, unsecured, and due on demand.

(d) As at June 30, 2016, the amount of $71,987 (June 30, 2015 - $39,000) was owed to the Chief Financial Officer of the Company.

8. Stock Options

The Company has established a stock option plan pursuant to the policies of the TSX-V whereby the Company may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares of the Company for a period of three years from the date of the grant. The total number of share purchase options to be granted and outstanding may not exceed 10% of the total issued and outstanding common shares at the date of the grant. The exercise price may not be less than the discounted market price as defined by TSX-V policy.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding and exercisable, June 30, 2016 and June 30, 2015	-	-

9. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2016 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, June 30, 2016 $
Cash	80,771	–	–	80,771

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST/HST refunds which are due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.