TSX.V: ELN OTC Pink: ELNOF FRANKFURT: E7QN

Toll free 1.800.667.1870 or 604.685.1870
101 – 2148 West 38th Avenue, Vancouver, B.C. Canada V6M 1R9

CONDENSED INTERIM FINANCIAL STATEMENTS

30 April 2016

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian dollars)

MANAGEMENT'S COMMENTS ON

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of El Niño Ventures Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

El Nino Ventures Inc.

(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
As at 30 April 2016 and 31 January 2016
(Unaudited)
(Expressed in Canadian dollars)

	Notes	As at 30 April 2016	As at 31 January 2016 (Audited)
ASSETS		**$**	$
Current assets			
Cash and cash equivalents		**2,389**	15,350
Amounts receivable	5	**585**	322
Prepaids and Deposits	6	**3,900**	-
		6,874	15,672
Property, plant and equipment	8	**300**	450
Total assets		**7,174**	16,122
DEFICIENCY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	**80,205**	81,062
		80,205	81,062
Due to related parties	19	**261,553**	261,330
Total liabilities		**341,758**	342,392
Deficiency			
Common shares	11	**25,359,723**	25,359,723
Reserves	11 & 12	**7,518,332**	7,518,332
Deficit		**(33,212,639)**	(33,204,325)
Total Deficiency		**(334,584)**	(326,270)
Total equity (deficiency) and liabilities		**7,174**	16,122

Corporate Information (Note 1), **Going Concern** (Note 1.1), **Commitements and Contingencies** (Note 21) and **Subsequent Events** (Note 22)

APPROVED BY THE BOARD:

"Harry Barr"
Director

"John Oness"
Director

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

El Nino Ventures Inc.

(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
For the three-month periods ended 30 April
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Three monhts ended 2016	2015
		$	$
Administration expenses			
Bank charges and interest		**67**	275
Consulting fees	18	**-**	8,876
Depreciation	8	**150**	150
Information technology		**80**	120
Insurance, licenses and fees		**-**	123
Legal		**-**	5,105
Marketing and communication		**-**	5,850
Office and miscellaneous	18	**810**	2,234
Rent		**513**	554
Share-based payments	13	**-**	2,271
Telephone and utilities		**191**	1,246
Transfer agent and regulatory fees		**6,384**	2,629
Travel, lodging and food		**119**	1,390
Net loss before other items		**(8,314)**	(30,823)
Other items			
Recovery of provision for legal costs	20	**-**	37,108
Net income (loss) and comprehensive loss for the period		**(8,314)**	6,285
Net income (loss) per share – basic and diluted	16	**(0.00)**	0.00

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

El Nino Ventures Inc.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
For the three-month periods ended 30 April
(Unaudited)
(Expressed in Canadian dollars)

		Three months ended	
	Notes	**2016**	2015
		$	$
OPERATING ACTIVITIES			
Income (loss) for the period		**(8,314)**	6,285
Adjustments for:			
Depreciation	8	**150**	150
Share-based payments	13	**-**	-
Changes in operating working capital			
Decrease in amounts receivable		**(263)**	1,173
Decrease (increase) in prepaid expenses		**(3,900)**	1,956
Decrease in trade payables and accrued liabilities		**(634)**	7,774
Cash used in operating activities		**(12,961)**	19,609
Decrease in cash and cash equivalents		**(12,961)**	19,609
Cash and cash equivalents, beginning of period		**15,350**	31,283
Cash and cash equivalents, end of period		**2,389**	50,892

Supplemental cash flow information (Note 20)

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

El Nino Ventures Inc.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Equity (Deficiency)

For the three-month periods ended 30 April

(Unaudited)

(Expressed in Canadian dollars)

	Number of shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
		$	$	$	$	$
Balances, 1 February 2015	37,120,181	25,359,723	1,928,063	5,587,998	(33,247,936)	(378,437)
Share-based payments	-	-	2,271	-	-	2,271
Net income for the period	-	-	-	-	6,285	6,285
Balances, 30 April 2015	37,120,081	25,359,723	1,930,334	5,587,998	(33,247,936)	(369,881)
Shares issued for						
Share-based payments	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(43,611)	(43,611)
Balances, 31 January 2016	**37,120,081**	**25,359,723**	**1,930,334**	**5,587,998**	**(33,204,325)**	**(326,270)**
Share-based payments	-	-	-	-	-	-
Net income (loss) for the period	-	-	-	-	(8,314)	(8,314)
Balances, 30 April 2016	**37,120,081**	**25,359,723**	**1,930,334**	**5,587,998**	**(33,212,639**	**(334,584)**

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

1. CORPORATE INFORMATION

El Nino Ventures Inc. (the "Company") was incorporated on 19 February 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Canada with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploration.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitements, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses (Note 1.1).

The Company's principal address and records office is located at 101-2148 West 38th Avenue, Vancouver, BC V6M 1R9.

1.1 GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultiamtely the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 30 April 2016, the Company had cash and cash equivalents of $2,389. Existing funds on hand at 30 April 2016 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the coming year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future (Note 18).

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

On 21 April 2016, the Company announced that that it intends to complete a non-brokered private placement for up to 25,000,000 units at a price of $0.02 per unit raising gross proceeds of up to $500,000 pursuant to a discretionary waiver from the TSX Venture Exchange of the $0.05 minimum pricing requirement. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.05 per share, for a period of two years from closing, subject to the acceptance of the TSX Venture Exchange dated 21 April 2016.

The company is currently working with the TSX Venture Exchange and its creditors to restructure the outstanding debt through a combination of the following (1) a substantial reduction of the outstanding debt ($0.50 on the $1.00), (2) shares (shares for debt) and (3) cash payments.

Proceeds from the private placement in the amount of up to $309,000 will be used for further exploration and development on the Company's Murry Brook polymetallic project in New Brunswick. Up to $66,000 will be used to settle related party debt and up to $125,000 will be used for general working capital.

Finder's fees may be payable in cash, shares or warrants or a combination may be paid on connection with the private placement.

The securities to be issued with respect to the private placement will be subject to a four-month and a day hold period in accordance with applicable Canadian Securities Laws. Completion of the private placement and any finder's fees payable are subject to regulatory approvals.

2. BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 17 and are presented in Canadian dollars except where otherwise indicated.

For the period ended 30 April 2016 and 2015, the Company accounted for its investment in Infinity Resources SPRL ("Infinity") as available-for-sale financial assets rather than on a consolidation basis as the Company did not exercise control or significant influence over its investments in Infinity during the period ended 30 April 2016 and the year ended 31 January 2016 (Notes 9 and 21).

2.2 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, '*Interim Financial Reporting*' using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2.3 New and revised standards and interpretations not yet adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 30 April 2016.

- IFRS 9 '*Financial Instruments'*: The IASB has undertaken a three-phase project to replace IAS 39 '*Financial Instruments: Recognition and Measurement'* with IFRS 9 '*Financial Instruments'*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

    - Financial assets meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances).
    - Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss.
    - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss.
    - The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the "business model" test and "cash flow characteristics" test.
    - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

    The amendments are effective for annual periods beginning on or after 1 January 2018.

- IAS 7 '*Statement of Cash Flows'* is an amendment to clarify and improve information provided to users of financial statements about an entity's financing activities. The amendment is applicable to annual periods beginning on or after 1 January 2017.

- IAS 12 '*Income* Taxes' is an amendment to clarify criteria used to assess whether future taxable profits can be utilized against deductible temporary differences. The amendment is applicable to annual periods beginning on or after 1 January 2017.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously 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. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and the ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the Black-Scholes valuation model to determine the fair value of warrants issued.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

3.3 Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Computer equipment 3 years
- Furniture and fixtures 5 years
- Software 1 year

3.5 Exploration and evaluation properties

Exploration and evaluation expenditures, including the costs of acquiring licenses and costs associated with exploration and evaluation assets acquired in a business combination, are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

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 the 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 reclassified to mining property and development assets within property, plant and equipment.

3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using the Black-Scholes Option Pricing

Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.7 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred 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 the tax rates that have been enacted or substantively enacted at the reporting date.

3.8 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management.
Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivables are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include investments in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

3.9 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

3.10 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

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 to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss.

3.11 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.12 Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

3.13 Decommissioning liabilities

An obligation to incur decommissioning costs arises when environmental disturbance is caused by the exploration or development of mineral property interest. These costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability, as soon as the obligation to incur such cost arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the well operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Estimated costs for decommissioning costs are adjusted as changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital costs of the related assets, in which case the capitalized cost is reduced to zero and the difference is recognized in profit or loss. As at 30 April 2016 and 31 January 2016, the Company has $Nil in decommissioning liabilities.

3.14 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Expressed in Canadian dollars)

4. SEGMENTED INFORMATION

For the period ended 30 April 2016, the Company operated in Canada and has suspended all operations in the Democratic Republic of Congo ("DRC") (Notes 9 and 21). The following is an analysis of total expenses, current assets and non-current assets by geographical area:

	Canada	DRC	Total
	$	$	$
Net income (loss)			
For the three months ended 30 April 2016	**(8,314)**	**-**	**(8,314)**
For the three months ended 30 April 2015	6,285	-	6,285
Current assets			
As at 30 April 2016	**6,874**	**-**	**6,874**
As at 31 January 2016	15,672	-	15,672
Property, plant and equipment			
As at 30 April 2016	**300**	**-**	**300**
As at 31 January 2016	450	-	450

5. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from Goods and Services Tax ("GST") receivable due from the government taxation authorities and advances to related parties (Note 19):

	As at 30 April 2016	As at 31 January 2016
	$	$
GST receivable	**585**	322
Total amounts receivable	**585**	322

(Expressed in Canadian dollars)

6. PREPAID EXPENSES

The Company's prepaid expenses are as follows:

	As at 30 April 2016	As at 31 January 2016
	$	$
Prepaid insurance and administration expenses	**3,900**	-
Total prepaid expenses	**3,900**	-

7. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the period ended 30 April 2016 were as follows:

	Bathurst Project	Murray Brook Project	Total
	$	$	$
ACQUISITION COSTS			
Balance, 31 January 2016	-	-	-
Impairment write-down of exploration properties	-	-	-
Balance, 30 April 2016	-	-	-
EXPLORATION AND EVALUATION COSTS			
Balance, 31 January 2016			
Assaying	-	-	-
Drilling	-	-	-
Engineering and consulting	-	-	-
Geological and field expenses	-	-	-
Geophysics and environment	-	-	-
Metallurgical studies	-	-	-
Impairment write-down of exploration properties	-	-	-
Balance, 30 April 2016	-	-	-
Total	-	-	-

(Expressed in Canadian dollars)

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2016 were as follows:

	Bathurst Project	Murray Brook Project	Total
	$	$	$
ACQUISITION COSTS			
Balance, 31 January 2015	-	-	-
Impairment write-down of exploration properties	-	-	-
Balance, 31 January 2016	-	-	-
EXPLORATION AND EVALUATION COSTS			
Balance, 31 January 2015			
Assaying	-	3,335	3,335
Drilling	-	3,686	3,686
Engineering and consulting	-	30,787	30,787
Geological and field expenses	-	25,155	25,155
Geophysics and environment	-	129,578	129,578
Metallurgical studies	-	1,998	1,998
Impairment write-down of exploration properties	-	(194,539)	(194,539)
Balance, 31 January 2016	-	-	-
Total	-	-	-

7.1 Bathurst Option JV Base Metals Project (the "BOJV Project")

The BOJV Project consists of various claims owned 50% by the Company and 50% by Xstrata Canada Corporation (now Glencore Canada Corporation) and various claims owned 100% by Glencore Canada Corporation. In 2009, the Company, Glencore Canada Corporation and Votorantim Metals Canada Inc. ("VM Canada") entered into a Tri-Party Agreement whereby VM Canada could earn 50% by spending $10 million over 5 years and could further increase its interest to 70% by spending an additional $10 million over 2 more years. During the previous year ended 31 January 2015, VM Canada relinquished its option to earn an interest in the property.

During the previous year ended 31 January 2015, due to prevailing junior resource market conditions, the uncertainty associated with the Company's ability to exploit any future economic benefits from the property and the Company not having sufficient funds to spend on its exploration program, the Company recorded an impairment write-down of $5,614,937 with respect to the BOJV Project.

7.2 Murray Brook Project

The Murray Brook consists of the Murray Brook Mining Lease No. 252 and the Camel Back Claims Block No. 4925 (the "Properties"). On 1 November 2010, VM Canada entered into an agreement with Murray Brook Minerals Inc. and Murray Brook Resources Inc. (collectively, "MBM") (the "Murray Brook Agreement") whereby VM Canada could earn 50% interest in the Murray Brook Project by funding $2,250,000 in exploration expenditures and making payments totalling $300,000 over a three-year period that commenced on 1 November 2011. VM Canada earned an additional 20% interest in the Properties by funding an additional $2,250,000 in exploration expenditures over an additional two year period.

On 3 January 2011, the Company entered into a participation agreement with VM Canada whereby it could earn 50% of VM Canada's interest by paying 50% of the costs incurred by VM Canada, pursuant to the Murray Brook Agreement (paid). The Company and VM Canada each have a 35% interest in the Properties.

During the year ended 31 January 2016, due to prevailing junior resource market conditions, the uncertainty associated with the Company's ability to exploit any future economic benefits from the property and the Company not having sufficient funds to spend on its exploration programs, the Company recorded an impairment write-down of $194,539 (2015 - $2,873,595) with respect to the Murray Brook Project.

As at 30 April 2016, the Company and VM Canada signed an acknowledgement and agreement relating to dilution of joint venture interest, whereas the parties have agreed that the amount of $318,678 owing by the Company to VM Canada, of which $58,356 relates to the current period and $260,322 relates to the prior year, shall be satisfied in full by the dilution of the Company's interest in the Properties (Notes 10 and 20). The Company has a 32.84% undivided beneficial interest in the Properties as at 30 April 2016.

(Expressed in Canadian dollars)

8. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in the Company's property, plant and equipment for the period ended 30 April 2016 and the year ended 31 January 2016 are as follows:

	Computer equipment	Furniture and fixtures	Software	Total
COST	$	$	$	$
As at 31 January 2016	21,346	52,774	9,783	83,903
Additions	-	-	-	-
As at 30 April 2016	**21,346**	**52,774**	**9,783**	**83,903**
DEPRECIATION AND IMPAIRMENT				
As at 31 January 2016	21,346	52,324	9,783	83,453
Depreciation	-	150	-	150
Write – down	-	-	-	-
As at 30 April 2016	**21,346**	**52,474**	**9,783**	**83,603**
NET BOOK VALUE				
As at 30 April 2016	**-**	**300**	**-**	**300**

	Computer equipment	Furniture and fixtures	Software	Total
COST	$	$	$	$
As at 31 January 2015	21,346	52,774	9,783	83,903
Additions	-	-	-	-
As at 31 January 2016	21,346	52,774	9,783	83,903
DEPRECIATION AND IMPAIRMENT				
As at 31 January 2015	21,346	51,724	9,783	82,853
Depreciation	-	600	-	600
Write – down	-	-	-	-
As at 31 January 2016	21,346	52,324	9,783	83,453
NET BOOK VALUE				
As at 31 January 2016	-	450	-	450

During the previous year ended 31 January 2016, the Company derecognized leasehold improvements with a net book value of $Nil. A gain/loss of $Nil was recorded related to the derecognition of the capital asset.

During the previous year ended 31 January 2015, the Company recorded a write-down of $53,809 related to the abandonment of its leasehold improvements (Note 20).

9. INVESTMENTS

Available for sale investments consists of the Company's interest in Infinity which is accounted for on a cost basis in accordance with IAS 39 *'Financial Instruments: Recognition and Measurement'* on the basis that the Company did not exercise control or significant influence over Infinity and the Company is in dispute with GCP Group Ltd. ("GCP") (Notes 2 and 21).

Pursuant to an agreement dated 19 May 2007, the Company exercised its option to acquire a 70% interest in certain mineral research permits (the "Kasala Mineral Research Permits") in the DRC from GCP, a private British Virgin Islands company (the "Mineral Property Option Agreement"). Total consideration paid by the Company consisted of cash payments of US$550,000 and the issuance of 93,333 shares of the Company.

In February 2008, the Kasala Mineral Research Permits were transferred by GCP into Infinity in contemplation of the Company fulfilling all of the terms of the Mineral Property Option Agreement.

The Company's rights under the Mineral Property Option Agreement are subject to a 1.5% net smelter return royalty ("NSR"). Under the Mineral Property Option Agreement, the Company is the operator of any work programs and is responsible for funding all authorized and approved exploration, development, feasibility, capital and other costs (the "Exploration Expenditures") related to the exploration and development of the property until such time as the property reaches commercial production. Upon reaching commercial production, the Company will be entitled to reimbursement for all Exploration Expenditures incurred before the distribution of such profits of such commercial production, if any.

On 16 May 2014, the Company entered into an Option Agreement (the "Agreement") with MMG Limited ("MMG"), whereby MMG could acquire the Company's 70% interest in Infinity for a total consideration of USD$6,000,000 plus a 1.5% NSR as well as a commitment to spend USD$15,000,000 in exploration expenses over 3 years. As part of the Agreement, MMG paid the Company a non-refundable deposit of US$100,000 (CDN$108,475) and also subscribed for 3,875,715 units of the Company in the amount of $271,300 (Note 11). On 1 April 2015, MMG terminated the Agreement. As per the agreement, the Company received USD$37,100 (CAD$44,809) related to the recovery of legal costs incurred related to the investment in Infinity (Note 21).

During the previous year ended 31 January 2015, the Company recorded a net recovery of write down of available for sale investments of $68,374.

(Expressed in Canadian dollars)

The Company is involved in a dispute with GCP related to the exercise of the Company's 70% interest in Infinity and the Company does not exercise control or significant influence over Infinity.

10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to exploration and evaluation activities and amounts payable for general operations. These are broken down as follows:

	30 April 2016	31 January 2016
	$	$
Trade payables	**72,205**	73,066
Accrued liabilities	**8,000**	8000
Total	**80,205**	81,066

During the period ended 30 April 2016 and the year ended 31 January 2016, the Company settled certain trade payables owed to VM Canada by way of dilution of the Company's interest in the Murray Brook Properties (Notes 7 and 20).

During the year ended 31 January 2015, the Company settled certain trade payables owed to third party vendors by issuing common shares and warrants of the Company (Notes 11 and 20).

11. SHARE CAPITAL

11.1 Authorized share capital

The Company has authorized an unlimited number of common and preferred shares with no par value. As at 30 April 2016, the Company had 37,120,081 common shares outstanding (31 January 2016 - 37,120,081) and no preferred shares outstanding.

11.2 Shares issuances

During the three months ended 30 April 2016 and years ended 31 January 2016 and 2015, the Company issued common shares as follows:

During the period ended 30 April 2016, there was no issuance of common shares.

On 4 November 2014, the Company settled trades payable owing to a third party in the amount of $15,000 through the issuance of 214,285 common shares at a price of $0.07 per share (Notes 10 and 20).
On 8 September 2014, the Company settled trades payable owing to a third party in the amount of $16,800 through the issuance of 240,000 common shares at a price of $0.07 per share (Notes 10 and 20).

(Expressed in Canadian dollars)

On 30 June 2014, gross proceeds of $271,300 were raised through the issuance of 3,875,715 units at a price of $0.07 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Note 9).

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 19 and 20).

On 30 June 2014, the Company settled trades payable owing to a third party in the amount of $10,000 through the issuance of 142,857 units at a price of $0.07 per unit, consisting of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Notes 10 and 20).

11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the three months ended 30 April 2016 and year ended 31 Jauary 2016:

	30 April 2016		31 January 2016	
	Number of warrants	**Weighted average Exercise price**	Number of warrants	Weighted average Exercise price
Outstanding, beginning of year	-	-	-	-
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of period	-	-	-	-

(Expressed in Canadian dollars)

12. STOCK OPTIONS

The Company has adopted a stock option plan (the "Plan") whereby, the Company may grant stock options up to a maximum of 20% of the number of issued shares of the Company. The exercise price of any options granted under the plan will be determined by the Board of Directors (the "Board"), at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Board grants such options, less the maximum discount permitted under the polices of the TSXV.

The following is a summary of the changes in the Company's stock option plan for the three months ended 30 April 2016 and year ended 31 January 2016:

	30 April 2016		31 January 2016	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of year	**3,134,000**	**$0.22**	3,134,000	$0.22
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	(160,000)	$1.14
Forfeited	**-**	**-**	-	-
Outstanding, end of period	**2,974,000**	**$0.17**	2,974,000	$0.17

The weighted average grant-date fair value for options granted during previous the year ended 31 January 2015 was $0.0545, which was determined using the Black-Scholes Option Pricing Model and the following assumptions: no dividends to be paid; volatility of 211.51% based on historical volatility; risk-free interest rate 2.79%; and expected life of 5 years (Note 13).

The following table summarizes information regarding stock options outstanding and exercisable as at 30 April 2016:

Exercise price	**Number of options outstanding**	**Weighted-average remaining contractual life (years)**	**Weighted average exercise Price**
Options outstanding and exercisable			
$0.05 - $1.17	2,740,000	3.13	$0.07
$1.18 - $1.77	234,000	0.31	$1.29
Total options outstanding and exercisable	**2,974,000**	**2.91**	**$0.17**

(Expressed in Canadian dollars)

13. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which $Nil was recognized in the period ended 30 April 2016 (2015 - $170,093) (Note 12):

Grant date	Fair value	**Amount vested in 2016**	Amount vested in 2015
	$	**$**	$
19 March 2014	161,880	**-**	159,813
28 April 2014	10,484	**-**	10,280
Total	172,364	**-**	170,093

14. FINANCE INCOME

The finance income for the Company is broken down as follows:

	30 April 2016	30 April 2015
	$	$
Interest income	**-**	-
Total	**-**	-

15. INCOME (LOSS) PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	30 April 2016	30 April 2015
	$	$
Net income (loss)	**(8,314)**	6,285
Weighted average number of shares – basic and diluted	**37,120,081**	37,120,181
Net income (loss) per share, basic and diluted	**(0.00)**	0.00

The basic income (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options were anti-dilutive for the period ended 30 April 2016 and 2015.

16. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. 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.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS

18.1 Categories of financial instruments

	As at 30 April 2016	As at 31 January 2016
FINANCIAL ASSETS	**$**	$
FVTPL, at fair value		
Cash and cash equivalents	**2,389**	**15,350**
Available-for-sale, at cost		
Investments	**-**	**-**
Total financial assets	**2,389**	**15,350**
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**72,205**	**73,062**
Due to related parties	**261,553**	**261,330**
Total financial liabilities	**333,758**	**334,392**

(Expressed in Canadian dollars)

18.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at 30 April 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	2,389	-	-	2,389
Investments	-	-	-	-
Total financial assets at fair value	**2,389**	**-**	**-**	**2,389**

There were no transfers between Level 1, 2 and 3 during the year ended 31 January 2016.

As at 31 January 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	15,350	-	-	15,350
Investments	-	-	-	-
Total financial assets at fair value	15,350	-	-	15,350

There were no transfers between Level 1, 2 and 3 during the year ended 31 January 2016.

18.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. As a result, the Company is not subject to a significant credit risk. The Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 30 April 2016, the Company had a working capital deficit of $73,331 (31 January 201 - $65,394).

Currency risk

For the period ended 30 April 2016 and 2015, the Company's operations were mainly in Canada (Note 4). The Company considers its currency risk to be insignificant.

Other market risks

The Company is not subject to any other market risks, including interest rate risk and commodity price risk.

18. RELATED PARTY TRANSACTIONS

For the period ended 30 April 2016 and 2015, the Company had transactions with Pacific North West Capital Corp. ("PFN"), a company with management and directors in common with the Company. PFN provides office and consulting services to the Company.

(Expressed in Canadian dollars)

19.1 Related party expenses

The Company's related party expenses paid and/or accrued during the year are as follows:

	30 April 2016	30 April 2015
	$	$
Consulting fees	**-**	8,875
Shared office costs	**1,142**	2,360
Total related party expenses to PFN	**1,142**	11,235

19.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due to related parties:

	As at 30 April 2016	As at 31 January 2016
	$	$
Key management personnel	**86,018**	85,994
PFN	**175,535**	175,336
Total amount due to related parties	**261,553**	261,330

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 11 and 20).

The amounts due to/from related parties are non-interest bearing, unsecured and due on demand.

(Expressed in Canadian dollars)

19.3 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	30 April 2016	30 April 2015
	$	$
Short-term benefits – management and consulting fees	**-**	-
Share-based payments (Note 13)	**-**	1,292
Total key management personnel compensation	**-**	1,292

19. SUPPLEMENTAL CASH FLOW INFORMATION

20.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

Period ended 30 April	**2016**	2015
	$	$
Interest paid	**-**	-
Income taxes paid	**-**	-
Total cash payments	**-**	-

On 30 June 2014, the Company settled trades payable owing to a related party in the amount of $140,000 through the issuance of 2,000,000 common shares at a price of $0.07 per share (Notes 11 and 19).

On 30 June 2014, the Company settled trades payable owing to a third party in the amount of $10,000 through the issuance of 142,857 non flow-through units at a price of $0.07 per unit, consisting of one non flow-through common share and one-half of one non-transferable, non flow-through, share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months from the closing date at a price of $0.14 per share (Notes 10 and 11).

On 8 September 2014, the Company settled trades payable owing to a third party in the amount of $16,800 through the issuance of 240,000 common shares at a price of $0.07 per share (Notes 10 and 11).

On 4 November 2014, the Company settled trades payable owing to a third party in the amount of $15,000 through the issuance of 214,285 common shares at a price of $0.07 per share (Notes 10 and 11).

As at 31 January 2016, the Company settled trades payable owing to VM Canada in the amount of $260,322 by way of dilution of the Company's interest in the Murray Brook Properties (Notes 7 and 10).

During the previous year ended 31 January 2016, the Company recorded a net recovery of write down of available for sale investments of $Nil (2015 - $68,374) (Note 9).

During the previous year ended 31 January 2016, the Company recorded a write-down of $Nil (2015 - $53,809) related to the abandonment of its leasehold improvements (Note 8).

20. COMMITMENTS and CONTINGENCIES

As at 30 April 2016, the Company had the following contingent liabilities:

a) In prior years, the Company entered into arbitrated dispute proceedings with GCP (the "GCP Group") related to its efforts to assert its legal and effective control over the Kasala Mineral Research Permits and the Company's interest in Infinity (Notes 2 and 9).

   On 5 December 2013, the Company was granted a partial award in the arbitration proceedings (the "Arbitration Findings") against the GCP Group. On 21 March 2014, the Company was granted the final award pursuant to the arbitration, whereby the Arbitrator declared various judgements in favour of the Company, including that the GCP Group shall return all assets of Infinity to the control of the Company, the net damages award to the Company being USD$1,850 with interest, and the GCP Group must pay costs to the Company in the amount of $431,532 with interest. The Company received a judgement pursuant to the *International Commercial Arbitration Act* to have the above noted awards applied in the DRC through a successful application of Exequatur. To date, the Company has not been successful in its efforts to realize or enforce these awards in the DRC.

   To date, the Company has not been successful in its efforts in the DRC and there is no assurance that the Company will be successful in asserting its legal and effective control over Infinity. As at 30 April 2016, the Company plans no further action to pursue its legal and effective control over Infinity. There is no assurance that further formal claims will not be made against the Company by GCP Group or other related parties (Note 4).

(Expressed in Canadian dollars)

During the three months ended 30 April 2016 and year ended 31 January 2016, the Company recorded an accrual for legal and other costs of $Nil (31 January 201 - $Nil) related to the ongoing legal disputes (Note 9).

	30 April 2016	31 January 2016
		$
Beginning balance	-	25,000
Amounts charged against provision	-	(7,71)
Recovery of legal costs (Note 9)	-	44,809
Management revision of estimate	-	(62,108)
Ending balance	-	-

b) During the year ended 31 January 2016, the Company did not obtain a director's and officer's insurance policy. The Company currently self-insures and has established no reserves for insurance-related contingencies. Rather, the Company assesses each contingency, if any, as it arises to determine estimates of the degree of probability and range of possible settlement. Those contingencies which are deemed to be probable and where the amount of such settlement is reasonably estimable, are then accrued in the Company's financial statements. If only a range of loss can be determined, the best estimate within that range is accrued.

The assessment of contingencies is a highly subjective process that requires judgments regarding future events. Insurance contingencies are reviewed at least annually to determine the adequacy of the accruals and whether related financial statement disclosure is required. The ultimate settlement of insurance contingencies may differ materially from amounts accrued in the financial statements.

c) The Company has indemnified the subscribers of flow-through shares of the Company issued in prior years against any tax related amounts that may become payable as a result of the Company not making eligible expenditures.

d) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regualtions are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

21. EVENTS AFTER THE REPORTING PERIOD

On 20 June 2016 the Company closed a non brokered private placement raising gross proceeds of $453,955. The Company issued 22,697,750 units (Units) at a price of $0.02 per Unit pursuant to a discretionary waiver obtained from the TSX Venture Exchange on April 21, 2016 from the $0.05 per share minimum pricing requirements. Each Unit consists of one common share and one non-transferable share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.05 per share for a period of 24 months from closing. Finder's fees totaling 35,000 shares, 77,000 broker warrants and $840 cash were paid in connection with the private placement.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the three months ended 30 April 2016 were approved and authorized by the Board of Directors on 22 June 2016.