Condensed Consolidated Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

September 30, 2015

Contents

TERRENO RESOURCES CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, if an auditor has not performed a review of an issuer's interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

Terreno Resources Corp. independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Ontario for a review of interim financial statements by an entity's auditor.

TERRENO RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2015 and March 31, 2015
(Expressed in Canadian Dollars)

	Notes		September 30, 2015		March 31, 2015
Assets					
Current					
Cash and cash equivalents	5	$	**32,233**	$	102,135
Advances and receivables	6		**8,342**		5,033
Investments	7		**618**		772
			41,193		107,940
Total Assets		$	**41,193**	$	107,940
Liabilities and Shareholders'deficiency					
Current liabilities					
Accounts payable and accrued liabilities	8	$	**374,522**	$	372,804
Shareholders' deficiency					
Share capital	10		**7,625,824**		7,625,824
Warrant reserve	11		**2,287,014**		2,287,014
Share option reserve			**2,845,026**		2,845,026
Accumulated other comprehensive loss			**(817,936)**		(819,182)
Deficit			**(12,273,257)**		(12,203,546)
			(333,329)		(264,864)
Total Liabilities and Shareholders' deficiency		$	**41,193**	$	107,940

1. Refer to Note 2 for the Significant going concern uncertainty

See accompanying notes to the consolidated financial statements

TERRENO RESOURCES CORP.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the three and six months period ended September 30,

(Expressed in Canadian Dollars, except per share amounts)

		Three months ended		Six months ended	
	Notes	**2015**	2014	**2015**	2014
Operating expenses					
General and administrative expenses	12	**44,839**	$ 74,788	**100,588**	102,050
Loss from operations		**(44,839)**	(74,788)	**(100,588)**	(102,050)
Foreign exchange (loss) gain		**225**	4,519	**(6,040)**	1,833
Interest and other income		**-**	162	**21**	311
Gain on debt settlement		**-**	1,901	**37,050**	168,352
Unrealized gain (loss) on investments		**(617)**	772	**(154)**	(1,389)
Net income (loss) for the period		**$ (45,231)**	$ (67,434)	**(69,711)**	67,057
Other comprehensive income					
Exchange differences on translation of foreign operations		**20**	223	**1,246**	1,550
Total comprehensive income (loss) for the period		**$ (45,211)**	$ (67,211)	**(68,465)**	68,607
Gain (loss) per share					
Basic and diluted		**(0.01)**	(0.01)	**(0.01)**	0.01
Weighted average number of common shares outstanding					
Basic and diluted		**6,984,575**	6,984,580	**6,984,575**	6,916,363

On December 5,2014, the Company consolidated its shares on a 1 for 10 basis. All references to common shares for all periods presented have been retroactively restated to reflect this consolidation,unless otherwise stated.

1.Refer to Note 2 for the Significant going concern uncertanity.

See Accompanying notes to the interim condensed consolidated financial statements.

TERRENO RESOURCES CORP.
Condensed Consolidated Interim Statements of Changes in Deficiency
For the six months period ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)

	Share capital	Deficit	Accumulated Other comprehensive loss	Warrant reserve	Share option reserve	Total Shareholders' deficiency
Balance at March 31, 2015	**$7,625,824**	**$ (12,203,546)**	**$ (819,182)**	**$ 2,287,014**	**$ 2,845,026**	**$ (264,864)**
Net loss for the period	**-**	**(69,711)**	**-**	**-**	**-**	**(69,711)**
Other comprehensive income	**-**	**-**	**1,246**	**-**	**-**	**1,246**
Total comprehensive loss for the period	**-**	**(69,711)**	**1,246**	**-**	**-**	**(68,465)**
Transactions with owners:						
	-	**-**	**-**	**-**	**-**	**-**
Total transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**
Balance at September 30, 2015	**$7,625,824**	**$ (12,273,257)**	**$ (817,936)**	**$ 2,287,014**	**$ 2,845,026**	**$ (333,329)**
Balance at March 31, 2014	$ 7,376,146	$ (12,133,395)	$ (820,733)	$ 2,287,014	$ 2,845,026	$ (445,942)
Net income for the period	-	67,057	-	-	-	67,057
Other comprehensive income	-	-	1,550	-	-	1,550
Total comprehensive income for the period	-	67,057	1,550	-	-	68,607
Transactions with owners						
Issuance of common shares for settlement of debts with various creditors	249,678	-	-	-	-	249,678
Total transactions with owners	249,678	-	-	-	-	318,285
Balance at September 30, 2014	$ 7,625,824	$ (12,066,338)	$ (819,183)	$ 2,287,014	$ 2,845,026	$ (127,657)

See accompanying notes to the interim condensed consolidated financial statements

TERRENO RESOURCES CORP.
Condensed Consolidated Interim Statements of Cash Flows
For the six months ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)

	Notes	2015	2014
Cash flows from operations			
Net Income (loss) for the period		**$ (69,711)**	$ 67,057
Items not affecting cash:			
Unrealized loss on investments		**154**	1,389
Gain on debt settlement		**(37,050)**	(168,352)
Depreciation		**-**	635
Unrealized foreign exchange losses		**-**	305
		(106,607)	(98,966)
Changes in non-cash working capital balances	16	**35,459**	38,395
		(71,148)	(60,571)
Exchange differences on translation of foreign operations		**1,246**	3,298
Decrease in cash and cash equivalents		**(69,902)**	(57,273)
Cash and cash equivalents, beginning of period		**102,135**	203,702
Cash and cash equivalents, end of period		**$ 32,233**	$ 146,429

Supplementary cash flow information (note 17)

See accompanying notes to the interim condensed consolidated financial statements.

1. Description of Business and Nature of Operations:

Terreno Resource Corp. (the "Company" or "Terreno") is a NEX listed issuer on the TSX Venture Exchange and was incorporated under the Alberta Business Corporations Act on April 18, 1995, and continued into the Province of British Columbia on November 21, 2007. The Company's registered office is located at Suite 2500, The Exchange Tower, 130 King Street West, Toronto, ON, Canada, M5X 2A2.

The Company's primary business is the acquisition, exploration and development of mineral properties. In prior fiscal years, with industry wide exploration cut-backs, the Company wrote off the value of its various interests in projects in Argentina and Slovakia.

On April 24, 2015 Terreno entered into a non-binding letter of intent with Crown Life, an arm length private Company in the business of purchasing an holding senior life settlements until maturity, pursuant to a share exchange, amalgamation, plan of arrangement or such other comparable form of transaction as determined by Terreno and Crown Life following a review of all relevant tax, corporate and securities law considerations.

The Proposed reverse take-over transaction with Crown Life was terminated by mutual consent on August 28, 2015.Terreno was notified that Crown Life had received a superior proposal. Crown Life has agreed to pay a break-up fees of $140,000 on termination of the agreement.

On September 23, 2015, Terreno's listing was transferred from the Tier 2 of the TSX Venture Exchange to the NEX Board of the Exchange (the "NEX").

These unaudited interim condensed consolidated financial statements ("interim consolidated statements") were approved by the Company's board of directors on November 27, 2015.

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2. Significant going concern uncertainty:

These interim consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The Company has a history of operating losses and as at September 30, 2015 has an accumulated deficit, of $12,273,257, shareholder equity deficiency of $333,329 and the Company's current liabilities exceed its current assets by $333,329. The Company requires additional financing to meet its current obligations and to fund ongoing activities. In the event a financing arrangement is not successfully negotiated the Company would not have sufficient cash and cash flow to meet its operating requirements. As a result there is significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on securing the additional required financing through issuing additional equity or debt instruments. While the Company believes in the viability of its strategy and, in its ability to raise additional funds for the Company to continue as a going concern, there can be no assurances to that effect.

These interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Basis of preparation:

(a) Statement of Compliance:

These interim consolidated statements have been prepared on a condensed basis in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by IAS Board and interpretation of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards and includes the accounts of Terreno Resources Corp. and its subsidiary entities.

Except as described in note 4 below, the same significant accounting policies and methods of computation were followed in the preparation of these interim consolidated statements as were followed in the preparation and described in note 4 of the annual consolidated financial statements as at and for the year ended March 31, 2015. Accordingly, these interim consolidated statements for the six month periods ended September 30, 2015 and 2014 should be read together with the annual consolidated financial statements as at and for the year ended March 31, 2015.

(b) Basis of presentation:

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$") except as otherwise noted.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its consolidated subsidiaries Magura Holdings S.R.O., and Terreno

3. Basis of preparation (continued):

Resources Corp. (Argentina). Specifically, the Corporation controls an investee if, and only if, the Corporation has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Corporation gains control until the date the Corporation ceases to control the subsidiary.

4. Summary of significant accounting policies:

Changes in accounting policies:

The Corporation has adopted the following standards, effective April 1, 2015. There was no consequential impact upon adoption.

IFRS 8 – Operating Segments

IFRS 8, "Operating Segments" was amended to require (i) disclosure of judgements made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segments are reported.

IFRS 24 – Related Party Transactions

IAS 24, "Related Party Transactions" was amended to (i) revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements.

New standards not yet adopted:

Standards issued but not yet effective up to the date of issuance of the Company's financial statements that are likely to have an impact on the Company are listed below. This listing is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

(EXPRESSED IN CANADIAN DOLLARS)

4. Summary of significant accounting policies(continued):

Financial instruments

IFRS 9 introduces the new requirements for the classification, measurement and de recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, Financial Instruments:

Recognition and Measurement to be subsequently measured at amortized cost or fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of IFRS 9 on its consolidated financial statements.

5. Cash and cash equivalents:

The Company's cash and cash equivalents consisted of the following components:

	September 30, 2015	March 31, 2015
Cash at bank	**$ 32,233**	$ 17,610
Short term deposit in bank	**-**	84,525
Cash and cash equivalents	**$ 32,233**	$ 102,135

6. Advances and receivables:

The Company's prepaid expenses and other receivables consisted of the following:

	September 30, 2015	March 31, 2015
Prepaid expenses	**1,125**	3,825
HST Receivable	**7,217**	1,208
Total	**8,342**	5,033

7. Investments:

Investments at fair value consist of shares of Lions Gate Metals Inc. whose shares are listed on the Canadian Securities Exchange, over which the Company does not have control or significant influence. Investments at fair value are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. As at September 30, 2015, the Company holds 30,875 (March 31, 2015- 30,875) shares of Lions Gate Metals Inc.

(EXPRESSED IN CANADIAN DOLLARS)

7. Investments (continued):

		September 30, 2015		March 31, 2015
Lion Gate Metals Inc-fair value	**$**	**618**	$	772
Lion Gate Metals Inc-cost	**$**	**125,107**	$	125,107

8. Accounts payable and accrued liabilities:

	September 30, 2015	March 31, 2015
Trade Payables	**35,976**	29,804
Accrued liabilities (i)	**338,546**	343,000
	374,522	372,804

(i) Accrued liabilities includes $210,000 (2014-$160,000) payable to Chief Executive officer and Chief Financial Officer of the Company for unpaid remuneration.

As at September 30, 2015 $ 317,758 of trade payable and accrued liabilities has been outstanding for more than 90 days, which represents 85% of the Company's accounts payable and accrued liabilities.

9. Related party transactions with key management personnel:

All transactions with key management personnel have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of key executives is determined by the board having regard to the performance of individuals and market trends.

During the six months ended September 30, 2015, the Company entered into the following transactions with key management personnel:

Type of service	**Nature of relationship**		**2015**		2014
Consulting fees	Officers	**$**	**30,000**	$	60,000
Stock based compensation	Directors and officers		**-**		-

At September 30, 2015, accounts payable and accrued liabilities included $210,000 (September 30, 2014 - $160,000) due to key management personnel for unpaid remuneration.

(EXPRESSED IN CANADIAN DOLLARS)

10. Share capital:

a) **Authorized**:

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

Issued:

Share capital:

	Number of shares	Amount
Balance at March 31, 2014	6,152,323	7,376,146
Issuance of shares to settle debts with various creditors (i)	832,252	249,678
Balance at March 31, 2015 and September 30, 2015	**6,984,575**	**7,625,824**

On December 5, 2014, the Company consolidated its shares on a 1 for 10 basis. All references to common shares for all periods presented have been retroactively restated to reflect this consolidation, unless otherwise stated.

(i) On April 16, 2014 Terreno completed the shares-for-debt transaction with certain creditors and has issued an aggregate of 832,252 common shares to settle outstanding debts of $416,129 to various creditors.

Stock Options plans:

The Company grants incentive stock options to eligible directors, officers, employees and consultants as permitted pursuant to the Company's Stock Option Plan approved by the shareholders. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date. 20% of options vest upon grant and 20% vest each six months thereafter. If the option holder ceases to be qualified to receive options from the Company those options expire in 90 days.

b) **Stock options:**

As at September 30, 2015, the Company had 244,000 stock options outstanding of which a total of 244,000 options had vested. The options have a weighted average remaining life of 0.9 years.

(EXPRESSED IN CANADIAN DOLLARS)

10.Share capital(continued):

A summary of the status of the Company's stock options outstanding as at September 30, 2015 and March 31, 2015 and changes during the periods then ended is presented below:

	September 30, 2015		March 31, 2015	
	# of Options	**Weighted average exercise price**	# of Options	Weighted average exercise price
Outstanding, at beginning of Period	282,000	$ 2.63	400,000	$ 2.90
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(8,000)	(6.00)
Forfeited	(38,000)	(2.89)	(110,000)	(3.18)
Outstanding, at end of period	244,000	2.56	282,000	2.63
Exercisable, at end of period	244,000	$ 2.56	282,000	2.63

Details of outstanding options:

Outstanding Options	Exercise Price	Number of Vested Options	Expiry Date
133,000	3.50	133,000	November 10, 2015
111,000	1.50	111,000	March 9, 2017
244,000		244,000	

11. Warrant reserve :

A summary of the status of the Company's warrants as at September 30, 2015 and March 31, 2015 and changes during the year then ended is presented below:

	Number of Warrants	**Weighted average exercise price**	**Warrant value**
Balance at March 31, 2014	160,000	$ 1.00	$ 2,287,014
-	-	-	-
Balance at March 31,2015 and September 30, 2015	**160,000**	**$ 1.00**	**$ 2,287,014**

(EXPRESSED IN CANADIAN DOLLARS)

11. Warrant reserve (continued):

On December 5, 2014, the Company consolidated its issued and outstanding common shares on a 1 for 10 basis. All references herein to common shares, per share amounts, warrants, and options for all periods presented have been retroactively restated to reflect this consolidation unless otherwise stated.

12. General and administrative expenses:

	Three months ended September 30		Six months ended September 30	
	2015	2014	**2015**	2014
Professional fees	**$ 49,621**	$ 2,497	**71,185**	21,354
Consulting fees	**(9,000)**	66,000	**21,000**	66,000
Shareholder relations and communications	**2,343**	2,279	**4,216**	3,619
Office and general	**1,875**	3,756	**4,187**	10,442
Amortization	**-**	256	**-**	635
	$ 44,839	$ 74,788	**$ 100,588**	$ 102,050

13. Segment information:

The Company's operations are segmented on a regional basis and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

The Company's significant segments are now divided into two distinct geographic areas. The Canadian operations are managed from the Company's head office in Toronto. The Argentina operations are managed from an office in San Juan. The Slovakian operations located in Central Slovakia are closed.

(EXPRESSED IN CANADIAN DOLLARS)

13.Segment information (continued):

The following is segmented information as at and for the three and six month ended and as at September 30, 2015:

	Three months ended September 30,2015	Six months ended September30, 2015	As at September 30, 2015		
Country	**Net loss**	**Net loss**	**Cash and cash equivalent**	**Other assets**	**Total assets**
Canada	**$ (39,243)**	**(61,606)**	**$ 32,009**	**$ 8,941**	**$ 40,950**
Argentina	**(5,988)**	**(8,105)**	**224**	**19**	**243**
Total	**$ (45,231)**	**$ (69,711)**	**$ 32,233**	**$ 8,960**	**$ 41,193**

The following is segmented information as at March 31, 2015 and for the three and six months ended September 30, 2014:

	Three months ended September 30, 2014	Six months ended September 30,2014	As at March 31, 2015		
Country	**Net loss**	**Net income**	**Cash and cash equivalent**	**Other assets**	**Total assets**
Canada	**$ (69,093)**	**$ (69,714)**	**$ 102,118**	**$ 5,805**	**$ 107,923**
Argentina	**1,659**	**137,019**	**17**	**-**	**17**
Slovakia	**-**	**(248)**	**-**	**-**	**-**
Total	**$ (67,434)**	**$ 67,057**	**$ 102,135**	**$ 5,805**	**$ 107,940**

The Company has no inter-segment revenues.

14. Capital management:

The Company includes the following in its capital:

	September 30, 2015	March 31, 2015
Share capital	**$ 7,625,824**	$ 7,625,824
Warrants	**2,287,014**	2,287,014
Share option reserve	**2,845,026**	2,845,026
Deficit	**(12,273,257)**	(12,203,546)
Accumulated other comprehensive loss	**(817,936)**	(819,182)
	$ (333,329)	$ (264,864)

14. Capital management(continued):

The Company's objectives when managing capital are:

(a) To maximize the income it receives from cash & cash equivalents without significantly increasing the principal at risk by making investments in high credit quality issuers; and

(b) To maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- realizing proceeds from the disposition of its investments;
- raising capital through equity financings;

The Company is not subject to any capital requirements imposed by a regulator. To date, the Company has not declared any cash dividends to its shareholders. The Company's management is responsible for the management of capital and reviews its capital management approach on an ongoing basis through the preparation of annual expenditure budgets, which are updated regularly to take into account factors such as successful financings to fund activities, changes in property holdings and related obligations and exploration activities and believes that this approach, given the relative size of the Company, is reasonable.

15. Financial instruments:

These assets represent a small portion of the Company's overall business. However, the use of financial instruments can expose the Company to several risks, including interest rate, foreign exchange and market risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

(a) Liquidity risk: Liquidity risk is the risk that the Company will have sufficient cash resources to meet its financial obligations as they come due. As at September 30, 2015 the Company has outstanding liabilities of $374,522 and working capital deficiency of $333,329. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities, in addition to interest income earned on its investment. The Company has cash and cash equivalents of approximately $32,233. The Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to us, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's outstanding common stock. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

(EXPRESSED IN CANADIAN DOLLARS)

15. Financial instruments(continued):

(b) Market risk: Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. In the normal course of business, the Company is exposed to market risks as a result of its investments in publicly-traded companies. The Company's sensitivity analysis suggests that a 10% change in market prices would change the value of the investment by approximately $53.

(c) Currency risk: Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency fluctuations as it significant amount of its costs and liabilities are denominated in Argentina peso and other currencies. The Company has not entered into any foreign currency contracts to hedge this exposure.

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the period ended September 30, 2015 from a change in all foreign currencies (Argentina peso and U.S. dollars with all other variables held constant as at September 30, 2015:

Percentage of Change in Foreign Currencies	Change in Net After-tax Income (Loss) From % Increase in Foreign Currencies	Change in Net After -Tax Income (Loss) From a Decrease in % in Foreign Currencies
2%	$ 203	$ (203)
4%	406	(406)
6%	609	(609)
8%	811	(811)
10%	1,014	(1,014)

(d) Credit risk: Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company has its cash and cash equivalents deposited with highly rated financial institutions. Other credit risk is limited to trade receivables in the ordinary course of business. The balance of trade receivables owed to the company in ordinary course of business is not significant.

Fair value:

The Company has determined the fair value of its financial instruments as follows:

(i) Investments at fair value are carried at fair value based on quoted market price.

Fair Value Analysis

The Company uses the following hierarchy for determining fair value measurements:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

15. Financial instruments(continued):

Level 2 fair value measurements are those derived from inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Company's financial assets measured at fair value through profit or loss have used Level 1 valuation techniques during the six months period ended September 30, 2015 and year ended March 31, 2015. The carrying values of the Company's financial assets and liabilities approximate their fair values as at September 30, 2015.

16. Changes in non-cash working capital:

	September 30, 2015	September 30, 2014
	$	$
Accounts receivables	**(609)**	**(1,758)**
Prepaid expenses	**(2,700)**	**2,602**
Accounts payable and accrued liabilities	**38,768**	**37,551**
	35,459	**38,395**

17. Supplementary cash flow information:

i. Settlement of liabilities:

On April 11, 2015 Terreno entered into debt transaction settlements agreement where liabilities of $39,000 due to former Officer of the Company was settled for $1,950.

ii. Interest and taxes:

During the six months period ended September 30, 2015 and 2014 the Company did not pay any interest and taxes in cash.

18. Subsequent event:

On October 1, 2015, Terreno entered into a final debt settlement agreement with its Chief Financial Officer on his resignation for $127,125 in full satisfaction of all amounts outstanding to him.

On October 1, 2015, Terreno also entered into a final debt settlement agreement with its Chief Executive Officer for $76,275 in full satisfaction of all amounts outstanding to him.

18.Subsequent event (continued):

On October 8, 2015 Company received break-up fees from Crown Life with regards to the termination of Reverse takeover transaction.

On October 9, 2015 Terreno closed a non-brokered private placement of an aggregate of 3,800,000 common shares for gross proceed of $190,000 at a price of $0.05 per common share. The proceeds from the offering were used for working capital purposes. As part of the private placement, 2,150,000 common shares were acquired by insiders of the Company.

On October 9, 2015, Terreno issued 450,931 common shares at a price of $0.05 per common share for settlement of payables of $22,546 with an arm's length creditor.

On October 14, 2015 Terreno entered into an agreement with creditor for settlement of past payables for $67,800.

On November 10, 2015 133,000 option expired unexercised.