

NRG METALS INC.
(formerly Codrington Resources Corporation)

(an exploration stage company)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

MARCH 31, 2016

These unaudited condensed consolidated interim financial statements of NRG Metals Inc. (formerly Codrington Resource Corporation) for the three months ended March 31, 2016 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

NRG METALS INC. (formerly Codrington Resource Corporation)
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

	March 31, 2016	December 31, 2015
ASSETS		
Current		
Cash	\$ 92,163	\$ 28,142
Receivables	12,870	10,770
Prepaid expenses	<u>119,208</u>	<u>116,458</u>
	224,241	155,370
Exploration and evaluation assets (Note 3)	<u>683,275</u>	<u>683,275</u>
	<u>\$ 907,516</u>	<u>\$ 838,645</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 4)	\$ 160,074	\$ 183,551
Related party loans payable (Note 9)	<u>332,996</u>	<u>332,996</u>
	<u>493,070</u>	<u>516,547</u>
Shareholders' equity		
Share capital (Note 5)	21,882,919	21,882,919
Subscriptions received in advance (Note 5)	200,000	-
Reserves (Note 5)	4,465,283	4,465,283
Deficit	<u>(26,133,756)</u>	<u>(26,026,104)</u>
	<u>414,446</u>	<u>322,098</u>
	<u>\$ 907,516</u>	<u>\$ 838,645</u>

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

On behalf of the Board:

"Adrian F. C. Hobkirk" Director "Christopher P. Cherry" Director

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

NRG METALS INC. (formerly Codrington Resource Corporation)
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED MARCH 31,
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

	2016	2015
EXPENSES		
Administration	\$ 2,735	\$ 7,285
Consulting fees	56,250	-
Exploration costs (Note 3)	13,345	16,294
Management fees (Note 9)	22,500	43,149
Professional fees (Note 9)	10,500	12,887
Transfer agent and filing fees	<u>950</u>	<u>6,598</u>
	<u>(106,280)</u>	<u>(86,213)</u>
OTHER ITEM		
Foreign exchange gain (loss)	<u>(1,372)</u>	<u>(235)</u>
Loss and comprehensive loss for the year	<u>\$ (107,652)</u>	<u>\$ (86,448)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>28,697,885</u>	<u>15,037,885</u>

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

NRG METALS INC. (formerly Codrington Resource Corporation)

(an exploration stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	Share Capital					Reserves	Total Shareholders' Equity
	Common Shares	Amount	Subscriptions received in advance	Deficit			
Balance, December 31, 2014	15,037,885	\$ 21,244,934	\$ -	\$ (25,441,544)	\$ 4,309,401	\$ 112,791	
Comprehensive loss for the period	-	-	-	(86,448)	-	(86,448)	
Balance, March 31, 2015	15,037,885	\$ 21,244,934	\$ -	\$ (25,527,992)	\$ 4,465,283	\$ 26,343	
Balance, December 31, 2015	28,697,885	\$ 21,882,919	\$ -	\$ (26,026,104)	\$ 4,465,283	\$ 322,098	
Comprehensive loss for the period	-	-	-	(107,652)	-	(107,652)	
Subscriptions received in advance	-	-	200,000	-	-	200,000	
Balance, March 31, 2016	28,697,885	\$ 21,882,919	\$ 200,000	\$ (26,133,756)	\$ 4,465,283	\$ 414,446	

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

NRG METALS INC. (formerly Codrington Resource Corporation)
(an exploration stage company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

	2016	2015
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (107,652)	\$ (86,448)
Changes in non-cash working capital items:		
Receivables	(2,100)	(449)
Prepaid expenses	(2,750)	-
Accounts payable and accrued liabilities	<u>(23,477)</u>	<u>82,940</u>
Net cash used in operating activities	<u>(135,979)</u>	<u>(3,957)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Share subscriptions received in advance	<u>200,000</u>	<u>-</u>
Net cash provided by financing activity	<u>200,000</u>	<u>-</u>
Change in cash during the period	64,021	(3,957)
Cash, beginning of period	<u>28,142</u>	<u>4,250</u>
Cash, end of period	<u>\$ 92,163</u>	<u>\$ 293</u>

Supplemental disclosure with respect to cash flows:

The Company did not incur any interest or tax expenditures for the three months ended March 31, 2016 and 2015.

During the three months ended March 31, 2016 and 2015, the Company had no non-cash transactions.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of Ontario on June 20, 1995. Effective January 15, 2007, the Company was granted a Certificate of Continuation under the *Business Corporation Act* from the jurisdiction of Ontario into British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties in Guyana. The Company's head office, principal address and registered records office is located at 804 – 750 West Pender Street, Vancouver, British Columbia, Canada. During the three months ended March 31, 2016, the Company changed its name from Codrington Resource Corporation to NRG Metals Inc.

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast doubt on the validity of this assumption. For the three months ended March 31, 2016 the Company incurred a net loss of \$584,560 (March 31, 2015 - \$86,448) and had an accumulated deficit of \$26,133,756 (December 31, 2015 - \$26,026,104). The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2015.

NRG METALS INC. (formerly Codrington Resource Corporation)
(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2016

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
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2. BASIS OF PRESENTATION (continued)

Approval of the financial statements

The unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2016 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2016.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Gold Port (Guyana) Incorporated, incorporated in Guyana, South America and Gold Port Resources Limited, incorporated in Guyana from the date control was acquired. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

New Accounting Standards adopted

The following new standards and amendments to existing standards were not yet effective for the period ended March 31, 2016, and have not been applied in preparing these consolidated financial statements:

IFRS 15 – Revenue from contracts with customers, is effective for annual periods commencing on or after January 1, 2017. This new standard establishes a new control-based revenue recognition model which could change the timing of revenue recognition. The Company is currently evaluating the effect the standard will have on its consolidated financial statements.

IFRS 9 – Financial Instruments, was issued in July 2014 to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. In addition, this new standard amends some of the requirements of IFRS 7, Financial Instruments: Disclosures, including added disclosure about investments in equity instruments measured at fair value in OCI and guidance on financial liabilities and derecognition of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the effect the standard will have on its consolidated financial statements.

IFRS 16 – Leases, was issued in January 2016 with the objective to recognize all leases on the balance sheet. IFRS 16 requires lessees to recognize a “right of use” asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted. The Company is currently evaluating the effect the standard will have on its consolidated financial statements.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. BASIS OF PRESENTATION (continued)

Critical Accounting Estimates and Judgments (continued)

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.
- iv) Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

3. EXPLORATION AND EVALUATION ASSETS

Realization of assets

The investment in mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause

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3. additional expenses and restrictions.
EXPLORATION AND EVALUATION ASSETS (continued)

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

Groete Project, Guyana

The Company holds a 100% interest in the Groete Property located in Guyana subject to a 1.5% NSR, which may be purchased for US\$3,000,000.

Lac Aux Bouleaux, Quebec Canada

During the year ended December 31, 2015, the Company entered into an option agreement to acquire the Lac Aux Bouleaux Graphite Property in Quebec by issuing an aggregate of 2,000,000 common shares (of which 1,000,000 common shares valued at \$65,000 have been issued and 1,000,000 shares were issued subsequent to March 31, 2016), cash payments of \$60,000 (of which \$30,000 has been paid and \$30,000 was paid subsequent to March 31, 2016) and carrying out an exploration and development program of \$500,000 over a two year period. The property is encumbered by a 3% net smelter royalty which the Company may purchase at \$1,000,000 for each 1%.

The Company incurred exploration costs during in 2016 as follows:

Guayana expenditures, net of recoveries	\$ 13,345
Total	\$ 98,424

The Company incurred exploration costs in 2015 as follows:

Guana expenditures, net of recoveries	\$ 16,294
Total	\$ 16,294

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4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2016		December 31, 2015
Accounts payables	\$	69,405	\$	92,882
Accrued liabilities		90,669		90,669
	\$	160,074	\$	183,551

5. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Included in issued share capital are 90,000 (December 31, 2015 – 90,000) escrowed common shares.

Year ended December 31, 2015:

Between April and July, 2015, the Company issued 7,560,000 units for gross proceeds of \$378,000. Each unit is comprised of one common share and one warrant entitling the holder to acquire an additional common share for \$0.08 per share for a period of three years. The Company paid a finder's fee of \$25,000 and issued 450,000 finders warrants, with the same terms as the warrants attached to the units. The Company has estimated the fair value of the finder's warrants to be \$35,015 based on the Black-Scholes option pricing model. The assumptions used for the Black-Scholes valuation of the finder's warrants were as follows: a risk-free interest rate of 1.53%, an expected life of three years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 254%.

In November 2015, the Company completed a non-brokered private placement for gross proceeds of \$255,000 by way of the issuance of 5,100,000 units at \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.08 per share for a period of three years.

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6. STOCK OPTIONS

The Company has a rolling stock option plan (the “plan”) that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant, subject to a minimum exercise price of \$0.10 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2014	1,294,000	\$ 0.10
Granted	1,450,000	0.10
Cancelled	<u>(1,144,000)</u>	0.10
Outstanding and exercisable, December 31, 2015 and March 31, 2016	1,600,000	\$ 0.09

The weighted average remaining contractual life of options at period end is 3.86 years (December 31, 2015– 4.11 years).

During the three months ended March 31, 2016, the Company granted Nil (year ended December 31, 2015 – 1,450,000) stock options to directors, officers and consultants of the Company. The fair value of the options granted during the period is \$Nil (year ended December 31, 2015 - \$120,867), based on the Black-Scholes option pricing model. The weighted average of the fair value per option was \$Nil (year ended December 31, 2015 - \$0.08)

The following weighted average assumptions were used for the Black-Scholes option pricing model:

	2016	2015
Risk-free interest rate	-	1.53%
Expected life of options	-	5 years
Annualized volatility	-	206%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

As at March 31, 2016, the following options were outstanding and exercisable:

7. WARRANTS	Exercise Price	Number of Options
February 10, 2019	\$0.09	275,000
August 18, 2019	0.12	175,000
June 1, 2020	0.10	1,150,000
		<u>1,600,000</u>

The following table summarizes the Company’s warrant activity for the three months ended March 31, 2016 and the year ended December 31, 2015:

Number of Warrants	Weighted Average Exercise Price
66	\$ 0.21

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00	0.08
67)	3.00
99 \$	0.09

As at March 31, 2016, the following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants
April 6, 2016	\$0.10	1,062,666*
April 13, 2016	0.10	830,000*
July 24, 2017	0.10	3,893,333**
August 6, 2017	0.10	1,540,000
April 27, 2018	0.08	3,800,000
May 26, 2018	0.08	3,430,000
July 9, 2018	0.08	780,000
November 8, 2018	0.08	5,100,000
		<u>20,435,999</u>

* Subsequent to March 31, 2016, these warrants expired unexercised

** Subsequent to March 31, 2016, 250,000 of these warrants were exercised for \$25,000

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and related party loans payable. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loans payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms, except for the related party loan payable which is due in fiscal 2018.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Currency risk

While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company is conducting business in Guyana, whose currency is the Guyanese dollar. As such, it is subject to risk due to fluctuations in the exchange rates for the United States, Canadian and Guyanese dollars. The Company does not manage currency risk through hedging or other currency management tools.

As at March 31, 2016, the Company has accounts payable denominated in US dollars of US\$25,000 (December 31, 2015 – US\$34,307) and cash of US\$200 (December 31, 2015 - US\$190). Based on a hypothetical change in the foreign exchange rate between the Canadian and the US dollars of 5% (December 31, 2015 - 5%), the effect on net and comprehensive loss would be \$1,240 (2015 - \$2,364).

As at March 31, 2016, the Company has cash denominated in Guyanese dollars of \$Nil (December 31, 2015 – \$Nil). Based on a hypothetical change in the foreign exchange rate between the Canadian and Guyanese dollars of 7.5% (2015 – 7.5%), the effect on net comprehensive loss would be \$Nil (2015 - \$Nil).

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is no risk associated with receivables as this is Goods and Services Tax ("GST") due from the Canadian Government.

c) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

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8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Interest rate risk (continued)

Due to the short-term nature of the Company's financial instruments and the non-interest bearing nature of long term liabilities, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2016. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

d) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

e) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

9. RELATED PARTY TRANSACTIONS

- a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	2015	2014
Management, consulting and professional fees charged by directors and corporations under their control	\$ 33,000	\$ 53,649

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

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9. RELATED PARTY TRANSACTIONS (continued)

- b) Included in accounts payable and accrued liabilities is \$70,669 (December 31, 2015 - \$70,669) due to directors, officers and corporations controlled by directors of the Company. The amount due to the related parties has no specific terms of repayment, is unsecured and non-interest-bearing.
- c) The Company has amounts owing to related parties in the amount of \$279,659. These amounts are unsecured and non-interest bearing. During the year ended December 31, 2015, the related parties have agreed to not call the debt prior to June 15, 2018 or to such time as determined by the board of directors.
- d) The Company has loans payable of \$53,337 (US\$45,668) (2014 - \$61,932 (US\$52,668)) to a related party of the Company. The loans are unsecured, non-interest bearing and are payable on June 15, 2018. As at December 31, 2014 the loans were payable on demand.

10. CAPITAL MANAGEMENT

The Company is an exploration stage company and this involves a high degree of risk. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the period.

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11. SEGMENTED INFORMATION

	March 31, 2016	December 31, 2015
Exploration and evaluation assets		
Canada	\$ 95,000	\$ 95,000
Guyana	<u>588,275</u>	<u>588,275</u>
	<u>\$ 683,275</u>	<u>\$ 683,275</u>

12. SUBSEQUENT EVENTS

Subsequent to March 31, 2016, the Company:

- completed a non-brokered private placement for gross proceeds of \$225,000 by way of the issuance of 4,500,000 units at \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.08 per share for a period of three years. No finders fees were paid;
- announced a non-brokered private placement for gross proceeds of \$250,000 by way of the issuance of 5,000,000 units at \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of three years. This placement may be subject to finders fees of up to 10% paid in cash and 10% paid in agent's warrants. The Company has received subscriptions totalling \$250,000 towards this placement. This placement is subject to regulatory approval.
- announced a non-brokered private placement for gross proceeds of \$320,000 by way of the issuance of 4,000,000 units at \$0.08 per unit. Each unit is comprised of one flow through common share and one common share purchase warrant exercisable at \$0.11 per share for a period of three years. This placement may be subject to finders fees of up to 10% paid in cash and 10% paid in agent's warrants. The Company has received subscriptions totalling \$145,000 towards this placement. This placement is subject to regulatory approval.
- Granted 2,200,000 stock options to certain directors, officers and consultants with an exercise price of \$0.12 per share for a period of five years.