BURNSTONE VENTURES INC.

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

FOR THE THREE AND NINE MONTH PERIOD ENDED DECEMBER 31, 2015

BURNSTONE VENTURES INC.

Suite 615 – 800 West Pender Street
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February 12, 2016

Interim Consolidated Financial Statements

Third Quarter Report

For the three and nine month periods ended December 31, 2015 and 2014

NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company must disclose if an auditor has not performed a review of the interim financial statements.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

These unaudited condensed interim consolidated financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company.

Yours truly,

BURNSTONE VENTURES INC.

"Eugene Beukman"

Eugene Beukman
Corporate Secretary

BURNSTONE VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	December 31, 2015	March 31, 2015 (Audited)
ASSETS		
Current		
Cash	$ -	$ 2,875
Receivables (Note 4)	1,706	2,593
Prepaid expenses	9,512	9,512
	11,218	14,980
Equipment (Note 5)	3,518	4,420
Mineral properties (Note 6)	1,774,937	1,750,670
	$ 1,789,673	$ 1,770,070
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 159,391	$ 156,568
Due to related parties (Note 8)	148,822	49,556
Loans payable (Note 9)	447,602	348,852
	755,815	554,976
Equity		
Share capital (Note 10)	74,212,172	74,212,172
Reserves	120,890	122,578
Deficit	(73,299,204)	(73,119,656)
	1,033,858	1,215,094
	$ 1,789,673	$ 1,770,070

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on February 12, 2016
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"Douglas Fulcher"	Director	*"Eugene Beukman"*	Director
Douglas Fulcher		Eugene Beukman	

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

BURNSTONE VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2014
EXPLORATION EXPENSES (Note 6)	$ 5,472	$ 52,210	$ 29,827	$ 109,207
ADMINISTRATIVE EXPENSES				
Amortization	301	418	902	1,254
Audit and accounting	7,500	7,500	25,200	37,500
Consulting fees	1,841	-	4,852	19,132
Foreign exchange loss	959	1,741	2,147	2,481
Insurance	-	-	149	890
Interest on loans (Note 9)	8,257	6,301	22,000	13,849
Legal fees	4,281	24,599	5,534	92,983
Management fees	7,500	7,500	22,500	22,500
Office	17,396	23,236	58,859	67,857
Shareholder information and printing	2,344	-	2,344	-
Transfer agent, filing and stock exchange fees	473	2,191	6,922	8,447
Travel and promotion	-	752	-	4,044
	50,852	75,555	151,409	270,937
Loss and comprehensive loss for the period	$ (56,324)	$ (127,765)	$ (181,236)	$ (380,144)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding	54,060,779	44,445,776	54,060,779	44,445,776

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

BURNSTONE VENTURES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (181,236)	$ (380,144)
Items not affecting cash:		
Amortization	902	1,254
Accrued interest	22,000	13,849
Changes in non-cash working capital items:		
Increase in receivables	887	(2,730)
Increase in accounts payable and accrued liabilities	2,823	123,726
Increase in due to related parties	99,266	118,799
Net cash used in operating activities	(55,358)	(125,246)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property interests	(24,267)	(134,050)
Net cash used in investing activities	(24,267)	(134,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	78,750	250,000
Repayment of loan payable	(2,000)	-
Net cash provided by financing activities	76,750	250,000
Change in cash for the period	(2,875)	(9,296)
Cash, beginning of period	2,875	15,026
Cash, end of period	$ -	$ 5,730
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

BURNSTONE VENTURES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock				
	Number	**Amount**	**Reserves ***	**Deficit**	**Total**
Balance at March 31, 2014	44,445,776	$ 73,878,647	$ 824,105	$ (73,493,312)	$ 1,209,440
Reclassification of expiry of options	-	-	(23,050)	23,050	-
Loss for the period	-	-	-	(380,144)	(380,144)
Balance at December 31, 2014	44,445,776	$ 73,878,647	$ 801,055	$ (73,850,406)	$ 829,296
Balance at March 31, 2015	54,060,779	$ 74,212,172	$ 122,578	$ (73,119,656)	$ 1,215,094
Reclassification on expiry of options	-	-	(1,688)	1,688	-
Loss for the period	-	-	-	(181,236)	(181,236)
Balance at December 31, 2015	54,060,779	$ 74,212,172	$ 120,890	$ (73,299,204)	$ 1,033,858

* Reserves consist entirely of share-based compensation payments.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Burnstone Ventures Inc. (the "Company" or "Burnstone") is incorporated under the Business Corporations Act, Ontario and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company's head office and principal address is Suite 615 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

On July 31, 2014, the Company entered into a binding letter agreement (the "Letter Agreement") which Abacus Mining & Exploration Corporation ("Abacus"), whereby Abacus would acquire all of the issued and outstanding securities of the Company by way of a statutory court-approved plan of arrangement (the "Arrangement"). During the year ended March 31, 2015, the proposed merger with Abacus has been terminated.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At December 31, 2015, the Company had not yet achieved profitable operations, had accumulated losses of $73,299,204 since its inception, and had a working capital deficit of $744,597, which may not be sufficient to sustain operations over the foreseeable future. The Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The 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.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed interim consolidated financial statements, including comparatives, 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 issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual financial statements, for the year ended March 31, 2015 as certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these interim financial statements.

2. BASIS OF PREPARATION (CONT'D)

Basis of Consolidation and Presentation

The interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries (Note 8).

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS 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 revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Depreciation for equipment

Depreciation expense is allocated based on assumed asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. Cash has been classified under this category.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss).

Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities, due to related parties and loans payable have been classified under this category.

Mineral properties

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees and advance royalty payments.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation of leasehold improvements is provided on a straight line basis over the 62-months (lease term). Depreciation of all other equipment is calculated using the declining balance method at the following rates: computer equipment – 30%; office and field equipment – 20%, and software – 100%. Under the declining balance method, depreciation is recorded at one-half the normal rate in the year of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

As at December 31, 2015 the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

Earnings (loss) per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Share-based compensation

The Company operates an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant 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 fair value of options is determined using a Black-Scholes pricing model. 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 eventually vest.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

New standards not yet adopted

The IASB has issued IFRS 9, *Financial Instruments* ("IFRS 9") which intends to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39") in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

4. RECEIVABLES

The Company's receivables consist of GST receivable due from the government of Canada:

	December 31, 2015	March 31, 2015
HST/GST receivable	$ 1,706	$ 2,593
Other receivables	-	-
Total	$ 1,706	$ 2,593

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer equipment	Computer software	Office equipment	Leasehold Improvements	Total
Cost					
Balance, April 1, 2014	$ 20,242	$ 526	$ 5,247	$ 4,673	$ 30,688
Balance, March 31, 2015	20,242	526	5,247	4,673	30,688
Balance, December 31, 2015	$ 20,242	$ 526	$ 5,247	$ 4,673	$ 30,688
Accumulated depreciation					
Balance, April 1, 2014	$ 15,420	$ 526	$ 3,976	$ 4,673	$ 24,595
Depreciation	1,364	-	309	-	1,673
Balance, March 31, 2015	16,784	526	4,285	4,673	26,268
Depreciation	716	-	186	-	902
Balance, December 31, 2015	$ 17,500	$ 526	$ 4,471	$ 4,673	$ 27,170
Carrying amounts					
As at March 31, 2015	$ 3,458	$ -	$ 962	$ -	$ 4,420
As at December 31, 2015	$ 2,742	$ -	$ 776	$ -	$ 3,518

6. MINERAL PROPERTIES

The Company's mineral property interests are comprised of properties located in the United States and in Canada.

	United States Tomichi	Canada Baffin Island	Canada Other	Total
Mineral properties				
Balance, April 1, 2014	$ 1,616,617	$ 1	$ 2	$ 1,616,620
Acquisition costs (see (a) below)	134,050	-	-	134,050
Balance, March 31, 2015	1,750,667	1	2	1,750,670
Acquisition costs (see (a) below)	24,267	-	-	24,267
Balance, December 31, 2015	**$ 1,774,934**	**$ 1**	**$ 2**	**$ 1,774,937**

During the period ended December 31, 2015, the Company incurred exploration expenditures as follows:

	United States Tomichi	Total
Exploration and related expenditures		
Field expenses	$ 16,458	$ 16,458
Land administration	13,369	13,369
Total mineral property expenditures	**$ 29,827**	**$ 29,827**

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (CONT'D)

During the period ended December 31, 2014, the Company incurred exploration expenditures as follows:

	United States	
	Tomichi	Total
Exploration and related expenditures		
Assays	$ 2,126	$ 2,126
Equipment and supplies	4,135	4,135
Field expenses	15,480	15,480
Geological	52,981	52,981
Land administration	15,549	15,549
Management fees	2,488	2,488
Travel and accommodation	16,448	16,448
Total mineral property expenditures	**$ 109,207**	**$ 109,207**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

United States

(a) Tomichi Property, Colorado

On April 28, 2011, the Company, completed the acquisition of 100% of Tomichi Copper Corp., a private company incorporated under the British Columbia Business Corporations Act and its 100% owned subsidiary Tomichi Resources LLC, a Colorado limited liability company. As consideration, the former shareholders of Tomichi Copper Corp. received 3.1 million common shares of the Company and $35,000 to settle the debt of Tomichi Copper Corp. on closing.

As a result the Company issued 3,100,000 million common shares [valued at $1,085,000] to the shareholders of Tomichi Copper Corp. and paid a finder's fee of 500,000 common shares [valued at $175,000]. The Tomichi Copper Corp shares were valued at $0.35 per share, the closing price on date of acquisition.

Tomichi Copper Corp. through its US subsidiary, Tomichi Resources LLC., has the right to purchase a 100% interest in the Tomichi copper-molybdenum porphyry project in Gunnison County, south-central Colorado (the "Tomichi Project") for an exercise price of US$4 million on or before the seventh anniversary of the option agreement. The following payments are required to keep the option in good standing by the Company:

US$15,000 on signing (paid);
US$40,000 on or before May 1, 2011 (paid);
US$60,000 on or before May 1, 2012 (paid);
US$80,000 on or before May 1, 2013 (paid);
US$125,000 on or before May 1, 2014 (paid);
US$150,000 on or before May 1, 2015 (extended to May 1, 2016); and
US$180,000 on or before May 1, 2016 (extended to May 1, 2017).

On acquisition, there were no outstanding liabilities (other than $35,000 promissory notes assumed by the Company) in Tomichi Copper Corp or Tomichi Resources LLC and no other assets other than the right to purchase the Tomichi Project noted above.

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (CONT'D)

United States (cont'd)

Consideration paid for the Tomichi Project

Common shares issued (3.1 million shares)	$ 1,085,000
Common shares issued as a finder's fee (500,000 shares)	175,000
Settlement of Tomichi debt on closing	35,000
Legal expenses	22,449
US$15,000 on signing	14,988
	$ 1,332,437

Subsequent to acquisition, the Company, through its subsidiary, Tomichi Resources LLC, acquired Lot 1, TOMICHI PARK SUBDIVISION, County of Gunnison, State of Colorado as part of the Tomichi Project. In addition, during the year ended March 31, 2012, another lot of patented land was acquired for payments of $40,608 (US$40,000) and $44,339 (US$45,000) in the County of Gunnison, Tomichi Mining District. Additional legal and other expenses of $20,767 were also incurred on the Project.

This transaction has been treated as an asset acquisition as Tomichi Copper Corp. and Tomichi Resources LLC did not have an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefit directly. The mineral properties acquired currently do not have any proven or probable resources or reserves.

The Company extended certain terms of the agreement dated May 1, 2015 related to the Tomichi Property. Under the terms of the extension, the extension allowed for all future payments to be extended out for a period of one year. The Company agreed to pay the property owners a one-time fee of US$7,500 and a one-time interest payment of US$6,750. And also the Company agreed to pay maintenance fees and property taxes for certain mining claims, monthly rental costs for the building lease in Gunnison County, Colorado, requisite fees for "Intent to Hold" claims in Gunnison County, Colorado and the property owners' legal fees incurred throughout the course of the extension agreement.

Canada

(b) Baffin Island, Nunavut

The Company terminated the High Arctic Option Agreement and has a 100% interest in the Baffin Mineral Claims subject to a 1% diamond royalty and a 1% NSR. As part of this termination agreement the Company elected to acquire a 100% interest in this Project as it is the most advanced of the High Arctic Projects, is the site of kimberlite discoveries and hosts a large area containing kimberlite boulders, kimberlite indicator mineral anomalies and potential drill targets. The Company has no immediate plans to conduct further exploration on this property.

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	December 31, 2015	March 31, 2015
Trade payables	$ 159,391	$ 141,568
Accrued liabilities	31,310	15,000
Total	$ 190,701	$ 156,568

8. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Burnstone Ventures Inc. and its subsidiaries listed in the following table:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Tomichi Copper Corp.	Canada	100%	Holding company (dormant)
Tomichi Resources LLC	United States	100%	Property option holding company (dormant)
Burnstone Ventures (Northwest Territories) Inc.	Canada	100%	Holding company (dormant)
Burnstone Ventures (Alberta) Inc.	Canada	100%	Holding company (dormant)

As at December 31, 2015, the Company owed $148,822 (March 31, 2015 - $49,556) to various directors and their companies.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (CONT'D)

The remuneration of directors and key management personnel during the three and nine months ended December 31, 2015 and 2014 are as follows:

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2014
Accounting and admin	$ 7,500	$ 7,500	$ 25,200	$ 22,500
Management fees	7,500	7,500	22,500	22,500
Consulting fees	1,841	1,317	4,852	14,132
Rent of office space	14,551	8,680	39,414	25,039
Exploration fees	-	14,444	-	33,963
D	$ 31,392	$ 80,209	$ 91,966	$ 118,134

During the year ended March 31, 2015, the Company received loan proceeds of $18,250 from a director of the Company and his company bearing an interest rate of 8% per annum and is due on February 1, 2016. During the nine months ended December 31, 2015, the Company received additional loan proceeds of $12,250, $25,000 and $3,500 from the same director bearing an interest rate of 8% per annum and are due on September 3, 2016, October 9, 2016 and October 20, 2016, respectively. As at December 31, 2015, the Company had loans payable of $59,000 and accrued interest of $2,162 in connection with these loans (Note 9).

During the nine months ended December 31, 2015, the Company received loan proceeds of $5,000 and $28,000 from a director of the Company and his company bearing an interest rate of 8% per annum and is due on July 28, 2016 and September 30, 2016, respectively. The Company repaid $2,000 of these loans. As at December 31, 2015, the Company had loans payable of $31,000 and accrued interest of $667 in connection with these loans (Note 9).

During the nine months ended December 31, 2015, the Company received loan proceeds of $5,000 from a director of the Company bearing an interest rate of 8% per annum and is due on July 28, 2016. As at December 31, 2015, the Company had loans payable of $5,000 and accrued interest of $171 in connection with these loans (Note 9).

On February 11, 2015, the Company issued 7,280,384 common shares of the Company to directors and a former director of the Company to settle $364,019 debts.

9. LOANS PAYABLE

During the year ended March 31, 2014, the Company received loan proceeds of $50,000 bearing an interest rate of 10% per annum. In consideration for the lender's risk, 200,000 common shares of the Company with a fair market value of $9,000 were issued to the lender on July 25, 2013. The loan matured on July 15, 2014 and subsequently became due on demand.

During the year ended March 31, 2015, the Company received loan proceeds of $250,000 bearing an interest rate of 8% per annum and is due on December 31, 2015. The Company granted to the lender a first-priority security interest in all of its rights, title and interest in and to the Tomichi Property. The loan matured on December 31, 2015 and subsequently became due on demand.

During the year ended March 31, 2015, the Company received loan proceeds of $6,575 bearing an interest rate of 8% per annum and is due on January 23, 2016.

During the year ended March 31, 2015, the Company received loan proceeds of $18,250 from a director of the Company and his company bearing an interest rate of 8% per annum and is due on February 1, 2016 (Note 8).

During the nine months ended December 31, 2015, the Company received loan proceeds of $78,750 from various directors of the Company and their companies bearing an interest of 8% per annum and is due within one year from the receipt of the loans ranging from July 28, 2016 to September 30, 2016 (Note 8).

During the nine months ended December 31, 2015, the Company repaid $2,000 to a director of the Company.

During the nine months ended December 31, 2015, the Company accrued an interest expense of $22,000 in connection with the loans. As at December 31, 2015, there were loan principals of $401,575 (March 31, 2015 - $324,825) and accrued interest of $46,027 (March 31, 2015 - $3,685).

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at December 31, 2015, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

b) Issued share capital:

On February 11, 2015, the Company issued 9,615,003 common shares of the Company at a fair value of $336,525 to settle a total debt of $480,750, resulting in a gain of $144,225 (Note 13).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (CONT'D)

c) Stock options

The Company's stock option plan provides that the board of directors may from time to time, in its discretion, and in accordance with the policies of any stock exchange on which the Company's common shares trade, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase the Company's shares, provided that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the issued and outstanding common shares at the time of grant. Options granted under the Plan may have a maximum term of ten (10) years and the price of the stock option will not be less than the last closing price of the Company's common shares. Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors, however, options issued to investor relations persons must vest in stages over 12 months with no more than one-quarter of the options vesting in any 3 month period.

During the period ended December 31, 2015, the Company did not grant any stock options to its directors, officers, employees or consultants.

As at December 31, 2015 and March 31, 2015, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

December 31, 2015	**March 31, 2015**	**Exercise Price**	**Expiry Date**
3,500,000	3,550,000	$0.05	January 30, 2020
100,000	100,000	$0.05	February 27, 2017
3,600,000	**3,650,000**		

Stock option transactions are summarized as follows:

	Nine months ended December 31, 2015		Year ended March 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	3,650,000	$0.05	4,052,741	$0.19
Cancelled/forfeited	(50,000)	0.05	(4,052,741)	0.19
Granted	-	-	3,650,000	0.05
Balance, end of year	3,600,000	$0.05	3,650,000	$0.05
Options exercisable, end of period	3,600,000	$0.05	3,650,000	$0.05

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties. Geographical information is as follows:

	December 31, 2015	March 31, 2015
Non-current assets:		
United States	1,774,934	1,750,667
Canada	3,521	4,423
	1,778,455	1,755,090

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Fair value
The carrying value of receivables, due to related parties, accounts payable, and loans payable approximated their fair value because of the relatively short-term nature of these instruments. Cash, which is classified as held for trading and carried at fair value, has been determined using Level 1 inputs.

Foreign exchange risk
The Company's operations in the United States will expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and US dollars. At December 31, 2015, the Company had a negligible net monetary liability position. The Company does not believe it is exposed to significant foreign exchange risk. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Credit risk
The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from 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.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

Price risk
The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

Capital management
The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

13. SUPPLEMENTARY DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended March 31, 2015, the Company issued 9,615,003 common shares of the Company with a fair market value of $336,525 to settle a total debt of $480,750, resulting in a gain of $144,225 (Note 10).