LATERAL GOLD CORP.

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

SIX MONTHS ENDED DECEMBER 31, 2015

These unaudited condensed consolidated interim financial statements of Lateral Gold Corp. for the six months ended December 31, 2015 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.

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	December 31, 2015	June 30, 2015 (Audited)
ASSETS		
Current		
Cash	$ 427,613	$ 482,690
Receivables	8,316	6,076
	$ 435,929	$ 488,766
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 4)	$ 9,279	$ 14,216
Shareholders' equity		
Share capital (Note 6)	2,378,570	2,378,570
Reserves (Note 6)	336,343	336,343
Deficit	(2,288,263)	(2,240,363)
	426,650	474,550
	$ 435,929	$ 488,766

Nature and continuance of operations (Note 1)

"John Veltheer" Director
John Veltheer

"Alex Helmel" Director
Alex Helmel

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

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Six Months Ended December 31, 2015	Six Months Ended December 31, 2014
EXPENSES				
Directors' fees (Note 5)	$ -	$ 20,648	$ -	$ 20,648
Foreign exchange loss	-	224	-	43
Office and miscellaneous	511	465	716	915
Professional fees (Note 5)	11,605	18,957	25,962	36,794
Rent (Note 5)	4,500	-	9,000	-
Shareholder communications	1,207	783	1,207	783
Transfer agent and filing fees	2,510	5,511	5,328	6,438
Travel and related costs	-	1,388	5,687	1,388
Loss and comprehensive loss for the period	$ (20,333)	$ (47,976)	$ (47,900)	$ (67,009)
Basic and diluted loss per common share	$ (0.00)	$ (0.04)	$ (0.00)	$ (0.06)
Weighted average number of common shares outstanding	10,190,964	1,190,964	10,190,964	1,190,964

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

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
SIX MONTHS ENDED DECEMBER 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (47,900)	$ (67,009)
Changes in non-cash working capital items:		
Increase in receivables	(2,240)	(2,766)
Increase (decrease) in accounts payable and accrued liabilities	(4,937)	463
Decrease in cash during the period	(55,077)	(69,312)
Cash, beginning of period	482,690	195,606
Cash, end of period	$ 427,613	$ 126,294
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

There were no significant non-cash financing and investing activities for the six months ended December 31, 2015 and 2014.

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

LATERAL GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at June 30, 2014	1,190,964	$ 1,847,316	$ 336,343	$ (2,000,520)	$ 183,139
Loss and comprehensive loss for the period	-	-	-	(67,009)	(67,009)
Balance at December 31, 2014	1,190,964	$ 1,847,316	$ 336,343	$ (2,067,529)	$ 116,130
Balance at June 30, 2015	10,190,964	$ 2,378,570	$ 336,343	$ (2,240,363)	$ 474,550
Loss and comprehensive loss for the period	-	-	-	(47,900)	(47,900)
Balance at December 31, 2015	10,190,964	$ 2,378,570	$ 336,343	$ (2,288,263)	$ 426,650

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Lateral Gold Corp. (the "Company") is incorporated under the Business Corporations Act, British Columbia.

The Company's head office and principal address is 202 – 837 West Hastings Street, Vancouver, BC, Canada, V6C 3N6 and the registered and records office is 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1.

During the year ended June 30, 2015, the Company completed a 10-old for 1-new share consolidation (Note 6). All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated for the share consolidation.

These unaudited condensed consolidated interim 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. The Company has incurred ongoing losses. A number of alternatives for 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. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated interim 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. STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements were authorized for issue on February 2, 2016 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned U.S. subsidiary Lateral Gold, Inc. until April 29, 2015, the date the Company dissolved its U.S. subsidiary. All intercompany accounts and transactions have been eliminated on consolidation.

Statement of compliance and conversion to International Financial Reporting Standards

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 annual financial statements of the Company for the year ended June 30, 2015.

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS

On July 1, 2015, the Company adopted the IFRS 7 (Amendment): Standard amended to clarity requirements for mandatory effective dates and transition disclosures. There were no adjustments required on the adoption of this amendment.

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

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	December 31, 2015	June 30, 2015
Trade payables	$ 9,279	$ 6,816
Accrued liabilities	-	7,400
Total	$ 9,279	$ 14,216

5. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers of the Company. The Company paid or accrued amounts to key management or to companies related to key management as follows:

	2015	2014
Directors' fees	$ -	$ 20,648
Professional fees	18,000	22,000
Rent	9,000	-
	27,000	42,648

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital and private placements

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

During the year ended June 30, 2015, the Company completed a 10-old for 1-new share consolidation. All common shares, options, warrants and per share figures have been retroactively restated to reflect the consolidation.

During the year ended June 30, 2015, the Company issued 9,000,000 common shares of the Company for gross proceeds of $540,000, pursuant to the completion of a non-brokered private placement. Total share issuance costs, comprised of legal and filing fees, were $8,746.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (cont'd…)

b) Stock options

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

Number of shares	Exercise price	Expiry date
47,770	$ 2.50	June 17, 2017

Stock option transactions and the number of options are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, June 30, 2015	62,770	$ 2.50
Options cancelled	(15,000)	2.50
Balance, December 31, 2015 (all exercisable)	47,770	$ 2.50

c) Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

No stock options were granted during the six months ended December 31, 2015 or during the year ended June 30, 2015.

d) Warrants

As at December 31, 2015, the Company had outstanding share purchase warrants enabling the holders to acquire commons shares as follows:

Number of shares	Exercise Price	Expiry date
306,108	$ 2.50	June 15, 2017

Warrant transactions and the number of warrants are summarized as follows:

	Number of Warrants	Exercise Price	Life Remaining (in years)
Balance, June 30, 2015 and December 31, 2015	306,108	$ 2.50	1.50

No share purchase warrants were issued during the six months ended December 31, 2015 or during the year ended June 30, 2015.

7. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition of new business ventures.

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of the instruments. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

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

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. 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. As at December 31, 2015, the Company had cash of $427,613 to settle current liabilities of $9,279.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk on fluctuations in exchange rates as most transactions are denominated in Canadian dollars.

8. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (cont'd…)

(c) 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. The Company does not hedge its currency risk.

Capital management

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, reserves and deficit.

The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments payable on demand. This strategy is unchanged from fiscal 2015.

The Company is not subject to externally imposed capital restrictions.