BLACK MAMMOTH METALS CORPORATION
(FORMERLY LA QUINTA RESOURCES CORPORATION)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in Canadian Dollars)

MORGAN
COMPANY LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Black Mammoth Metals Corporation
(formerly La Quinta Resources Corporation)

Report on the financial statements

We have audited the accompanying financial statements of Black Mammoth Metals Corporation (formerly La Quinta Resources Corporation) which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of loss and comprehensive loss, statements of changes in deficiency and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Mammoth Metals Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada — *"Morgan & Company LLP"*

April 29, 2016 — Chartered Professional Accountants

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BLACK MAMMOTH METALS CORPORATION
(FORMERLY LA QUINTA RESOURCES CORPORATION)

STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,
(Expressed in Canadian Dollars)

		2015		2014
ASSETS				
Current Assets				
Cash	$	-	$	2
Reclamation Bond (Note 5)		39,654		-
Amounts Receivable		441		-
Exploration and Evaluation Assets (Note 6)		24,654		3,503
Total Assets	$	64,749	$	3,505
LIABILITIES				
Current Liabilities				
Bank indebtedness	$	137	$	-
Accounts payable and accrued liabilities (Note 8)		744,768		762,835
Advance payable (Note 8)		34,502		34,502
		779,407		797,337
Decommissioning provision (Note 11)		800		-
Total Liabilities		780,207		797,337
DEFICIENCY				
Share Capital (Note 7)		10,933,343		10,933,343
Reserves		1,886,312		1,886,312
Accumulated Deficit		(13,535,113)		(13,613,487)
Total Deficiency		(715,458)		(793,832)
Total Liabilities And Deficiency	$	64,749	$	3,505

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

Approved on behalf of the Board of Directors:

"Mark Abrams"	"Dustin Henderson"
Director	Director

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

BLACK MAMMOTH METALS CORPORATION
(FORMERLY LA QUINTA RESOURCES CORPORATION)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	2015	2014
Operating Expenses		
Bad debt expense	$ -	$ 500
Consulting fees	-	2,332
Foreign exchange loss	18,491	-
Interest, penalties and bank charges	2,577	10,906
Management fees (Note 8)	113,615	120,000
Office administration and other	6,892	3,740
Professional fees	(7,745)	34,550
Property investigation	1,047	964
Shareholder communications	2,204	3,664
Transfer and regulatory fees	13,440	14,691
Travel and entertainment	2,582	3,528
Total Operating Expenses	(153,103)	(194,875)
Write-off of accounts payable	180,997	-
Gain on debt settlement (Note 11)	11,626	-
Gain on decommissioning provision (Note 5)	38,854	-
Net Loss and Comprehensive Loss For The Year	$ 78,374	$ (194,875)
Basic Income (Loss) Per Share	$ 0.02	$ (0.02)
Diluted Income (Loss) Per Share	$ 0.02	$ (0.02)
Weighted Average Number Of Shares Outstanding, Basic	2,676,792	2,676,792
Weighted Average Number of Shares Outstanding, Diluted	2,676,792	2,676,792

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

BLACK MAMMOTH METALS CORPORATION
(FORMERLY LA QUINTA RESOURCES CORPORATION)

STATEMENTS OF CHANGES IN DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in Canadian Dollars)

	SHARE CAPITAL		RESERVES			
	SHARES	AMOUNT	EQUITY SETTLED SHARE-BASED PAYMENTS	WARRANTS	ACCUMULATED DEFICIT	TOTAL (DEFICIENCY) EQUITY
Balance, December 31, 2013	2,626,792	10,932,343	1,103,269	783,043	(13,418,612)	(599,957)
Shares issued for exploration and evaluation assets	50,000	1,000	-	-	-	1,000
Net loss and comprehensive loss for the year	-	-	-	-	(194,875)	(194,875)
Balance, December 31, 2014	2,676,792	10,933,343	1,103,269	783,043	(13,613,487)	(793,832)
Net income and comprehensive income for the year	-	-	-	-	78,374	78,374
Balance, December 31, 2015	**2,676,792**	**$ 10,933,343**	**$ 1,103,269**	**$ 783,043**	**$ (13,535,113)**	**$ (715,458)**

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

BLACK MAMMOTH METALS CORPORATION
(FORMERLY LA QUINTA RESOURCES CORPORATION)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

		2015		2014
Cash Flows (Used In) Provided By:				
Operating Activities				
Net income (loss) for the year	$	**78,374**	$	(194,875)
Adjustments to reconcile net loss to net cash used by operating activities:				
Bad debt expense		**-**		500
Write-off of statute barred accounts payable		**(180,997)**		-
Gain on debt settlement		**(11,626)**		-
Gain on decommissioning provision		**(38,854)**		
Changes in non-cash working capital:				
Amounts receivable		**(441)**		3,467
Accounts payable and accrued liabilities		**153,405**		190,829
		(139)		(79)
Change in Cash for the year		**(139)**		(79)
Cash, Beginning of Year		**2**		81
(Bank Indebtedness) Cash, End of Year	$	**(137)**	$	2
Supplemental Cash Flow Information				
Cash received for interest	$	**-**	$	-
Cash paid for income taxes	$	**-**	$	-
Cash paid for interest	$	**-**	$	-

See Note 12 for non-cash transactions

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on August 17, 2004 in British Columbia, Canada and began active operations on that date.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in British Columbia. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company. The Company is listed on the TSX Venture Exchange, having a symbol LAQ.V.

The address of the Company's corporate office and principal place of business is Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has an accumulated deficit of $13,535,113 to date and as of December 31, 2015 has a working capital deficiency of $739,753.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to continue to raise additional funding in the form of equity financing from the sale of common stock to improve the working capital position, but there is no assurance that the Company will be successful in achieving this goal. These factors may cast significant doubt on the use of the going concern basis of accounting used in the preparation of these financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business, and these adjustments may be material.

On February 18, 2016, the Company changed its name to Black Mammoth Metal Corporation (formerly La Quinta Resources Corporation) and consolidated its share capital on a four to one basis. These statements reflect the share consolidation retroactively.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on April 29, 2016.

b) Going Concern

The financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION (Continued)

c) Basis of Measurement

The financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 3 for use of estimates and judgements made by management in the application of IFRS.

3. USE OF ESTIMATES AND JUDGMENTS

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment of 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:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position.
ii) The inputs in the Black-Scholes option pricing model to value stock options and broker warrants.
iii) The Company's assessment of its ability to raise sufficient funds to finance operations involves significant judgments. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

ii) Recognition of deferred income tax assets

Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12 Income Taxes, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

4. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation and deconsolidation

Control exists when the Company has the power, directly or in directly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from the deconsolidation is recorded in the statement of operations.

All material intercompany transactions, balances, income and expenses are eliminated on consolidation. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company.

Translation of Foreign Currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company 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 year, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date 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 reflected in profit or loss for the year.

Financial Instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

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

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 cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

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. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

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 directly in equity. 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 equity and recognized in profit or loss.

All financial assets except for those 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 any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash and amounts receivable at fair value through profit or loss.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

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

Other financial liabilities: This category includes accounts payables and accrued liabilities, advance payable and flow-through share liability which are recognized at amortized cost using the effective interest method.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

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 the profit or loss for the year. For an asset that does not generate largely independent cash inflows, 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.

Decommissioning and Restoration Provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets 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 rehabilitation asset is depreciated on the same basis as mining assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Decommissioning and Restoration Provision (Continued)

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 mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

At December 31, 2015, the Company had a $800 decommissioning and restoration provision (Note 12).

Income Taxes

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

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: 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 statement of financial position 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share Issue Costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs, and are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Flow-through Shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Per Share

The Company presents basic and diluted income (loss) per share for its common shares. Basic income (loss) per share is calculated by dividing the income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted income per share is calculated using the treasury stock method which considers the potential exercise of outstanding financial instruments with equity purchase or conversion features. Diluted income per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based Compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has a tentative effective date of January 1, 2018.

5. RECLAMATION BOND

Due to new information received during the year ended December 31, 2015, the Company re-recognized a $39,654 (2014 - $Nil) bond previously provided to the Division of Minerals in the state of Nevada as security against future reclamation on the Company's mineral properties once abandoned. The resulting gain on the re-recognition of the bond was netted against estimated reclamation costs to be incurred on the property (see note 12).

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation costs for the year ended December 31, 2015.

	Frances Bay, British Columbia	Coppertonic, British Columbia	Total
Property acquisition costs			
Balance, December 31, 2014	$ 1,000	$ 839	$ 1,839
Additions - cash	361	70	431
Balance, December 31, 2015	1,361	909	2,270
Deferred exploration and development costs			
Balance, December 31, 2014	-	1,664	1,664
Incurred during the year:			
Consulting	-	20,000	20,000
Assay	-	157	157
Travel and other expenses	-	563	563
Total expenditures during the year	-	20,720	20,720
Balance, December 31, 2015	-	22,384	22,384
Total Exploration and Evaluation Assets, as at December 31, 2015	$ 1,361	$ 23,293	$ 24,654

Exploration and evaluation costs for the year ended December 31, 2014

	Frances Bay, British Columbia	Coppertonic, British Columbia	Total
Property acquisition costs			
Balance, December 31, 2013	$ -	$ 839	$ 839
Additions - shares	1,000	-	1,000
Balance, December 31, 2014	1,000	839	1,839
Deferred exploration and development costs			
Balance, December 31, 2013	-	-	-
Incurred during the year:			
Consulting	-	1,426	1,426
Geological	-	238	238
Total expenditures during the year	-	1,664	1,664
Balance, December 31, 2014	-	1,664	1,664
Total Exploration and Evaluation Assets, as at December 31, 2014	$ 1,000	$ 2,503	$ 3,503

a) Coppertonic Property, British Columbia

On August 15, 2013, the Company staked a copper-gold property prospect, the Coppertonic claim in the Cariboo region of south central British Columbia.

During the year ended December 31, 2015, the Company staked contiguous claims for $70.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Frances Bay Copper Property, British Columbia

During the year ended December 31, 2015, the Company staked and obtained a 100% ownership in the Frances Bay Copper Property after dropping its previous option agreement. The Frances Bay Copper property is located in southwestern British Columbia, approximately 90 kilometres northwest of Powell River, BC. There is a 1% Net Smelter Royalty outstanding on the property.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Issued and Outstanding

Subsequent to the year ended December 31, 2015, the Company consolidated its share capital on a four to one basis.

During the year ended December 31, 2014, the Company issued 200,000 common shares valued at $1,000 for exploration and evaluation assets (Note 6).

c) Stock Options

The Company has a stock option plan whereby it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company at prices to be determined and for a term not in excess of five years. Stock options granted to consultants conducting investor relations activities vest in accordance with TSX regulations. Unless otherwise stated, share purchase options vest when granted.

No stock options were granted during the year ended December 31, 2015 and 2014.

As at December 31, 2015, options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARES	EXERCISE PRICE PER SHARE	NUMBER EXERCISABLE AT December 31, 2015	EXPIRY DATE
8,750	$ 1.00	8,750	May 10, 2016
12,500	1.00	12,500	May 25, 2016
15,000	1.00	15,000	July 10, 2016
36,250		36,250	

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

Summaries of changes in stock options are presented below:

	FOR THE YEAR ENDED DECEMBER 31, 2015		FOR THE YEAR ENDED DECEMBER 31, 2014	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	**98,750**	**$ 1.03**	98,750	$ 1.03
Forfeited/expired	**(62,500)**	**$ 1.00**	-	$ -
Balance, end of year	**36,250**	**$ 1.00**	98,750	$ 1.03

As at December 31, 2015, the weighted average remaining contractual life of the options was 0.44 years (2014 – 0.63 years).

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. All amounts owing are non-interest bearing, with no specific repayment terms and unsecured. The remuneration of directors and other members of key management personnel during the year ended December 31, 2015 and 2014 are as follows:

a) Included in accounts payable and accrued liabilities at December 31, 2015 is $509,117 (2014 - $345,083) due to directors, a former director, an officer of the Company and a company with a common director.

b) Included in amounts receivable at December 31, 2015 is $Nil (2014 - $Nil) due from a director. During the year ended December 31, 2014, the Company wrote off $500 as bad debt expense.

c) During the year ended December 31, 2015 and 2014 included in the financial statements are the following amounts charged or accrued to officers, directors, a former director, spouse of a director and companies with a common director:

	2015	2014
Key management compensation		
Management fees	**$ 133,616**	$ 120,000

d) During the year ended December 31, 2015, directors of the Company were owed $34,502 (2014 - $34,502). The amounts are unsecured, non-interest bearing and payable on demand.

(Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration 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 team to manage its capital.

The property in which the Company currently has an interest is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 considers its approach to capital management to be appropriate given the relative size of the Company. There were no changes in the Company's approach to capital management during the year.

10. FINANCIAL INSTRUMENTS

Fair Value

IFRS 7 establishes a fair value hierarchy that priorities the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company has no assets or liabilities subject to fair value measurement on a recurring basis.

For assets and liabilities measured at fair value on a non-recurring basis, the following table provides the fair value measures by level of valuation assumptions used:

	FAIR VALUE	AS AT DECEMBER 31, 2015		AS AT DECEMBER 31, 2014	
	INPUT LEVEL	**CARRYING AMOUNT**	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	**$ -**	**$ -**	$ 2	$ 2
Amounts receivable	2	**441**	**$ 441**	$ -	$ -
Financial Liabilities:					
Bank indebtedness	1	**$ 137**	**$ 137**	-	-
Accounts payable and accrued liabilities	2	**$ 743,616**	**$ 743,616**	$ 610,319	$ 610,319
Advances payable	2	**$ 34,502**	**$ 34,502**	$ 34,502	$ 34,502
Other liabilities	2	**$ 1,152**	**$ 1,152**	$ 1,054	$ 1,054
Liabilities of discontinued operations	2	**$ -**	**$ -**	$ 151,364	$ 151,364

10. FINANCIAL INSTRUMENTS (Continued)

Due to the relatively short term nature of cash, amounts receivable, accounts payable and accrued liabilities, advance payable and liabilities of discontinued operations, the fair value of these instruments approximates their carrying value.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and amounts receivable. Cash are held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2015, the Company held advances payable of $34,502 (2014 - $34,502) and had current liabilities from continuing operations of $779,407 (2014 - $611,471), as well as current liabilities from discontinued operations of $Nil (2014 - $151,364). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company had cash balances and no interest bearing debt. 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 creditworthiness of its banks.

ii) Commodity 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. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

iii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds a 100% interest in its subsidiary La Quinta Nevada Inc. ("LQN") in the United States of America which is currently inactive.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (Continued)

c) Market Risk (Continued)

iii) Foreign Currency Risk (Continued)

As at December 31, 2015, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year.

Any unrealized translation adjustments arising at year end are included in operating loss for the year.

11. DECOMMISSIONING PROVISION

The total future decommissioning and restoration provision was estimated by management based on the Company's interests in the Easter property in Nevada and the estimated costs of clean up. The undiscounted amount of the estimated cash flows required to settle the obligation is approximately $800 (2014 - $Nil). The estimated settlement is expected to be incurred in the short-term, therefore, $800 represents the discounted cash flows of the obligation.

12. SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. Its resource properties and head office are located in one geographical location, Canada. The Company's exploration and evaluation assets in Canada are $24,654 at December 31, 2015 (2014 - $3,505).

13. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statements of cash flows:

During the year ended December 31, 2015, the Company has $21,151 (2014 - $Nil) in accounts payable and accrued liabilities to exploration and evaluation assets.

During the year ended December 31, 2014, the Company issued shares valued at $1,000 for an exploration and evaluation asset

14. INCOME TAXES

The recovery of income taxes shown in the statement of loss differs from the amounts obtained by applying statutory rates due to the following:

	2015	2014
Statutory rates	26%	26%
Expected income tax recovery	$ (20,000)	$ (51,000)
Change in tax rates		-
Change in tax assets not recognized	20,000	51,000
Deferred income tax recovery	$	$ -

(Expressed in Canadian Dollars)

14. INCOME TAXES (Continued)

The significant components of the Company's deferred net income tax asset and liabilities are approximately as follows:

		2015		2014
Deferred tax assets				
Non-capital loss carry-forwards	**$**	**733,000**	$	691,000
Resources deductions and other		**858,000**		858,000
Share issue costs		**-**		3,000
		1,591,000		1,552,000
Less: Deferred tax assets not recognized		**(1,591,000)**		(1,552,000)
	$	**-**	$	-

The Company has non-capital losses carried forward in Canada of approximately $2,819,000 (2014 - $2,656,000) that are available for tax purposes. The non-capital losses are set expire beginning 2016 to 2035.

The Company has Canadian resource pools of approximately $3,274,000 (2014 - $3,253,000) available to offset future taxable income. The tax benefit of these amounts is available for carry-forward indefinitely.

15. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2015, the Company:

i) completed its first tranche of a non-brokered private placement for 1,849,999 units at a price of $0.06 per unit for gross proceeds of $111,000. Each unit consists of one common share and one common share purchase warrant, entitling the holder to purchase one additional common share, exercisable at $0.10 per share for a period of 2 years from the issue date.

ii) completed its second tranche of the private placement for 675,000 units for gross proceeds of $40,500. Each unit consists of one common share and one common share purchase warrant, entitling the holder to purchase one additional common share, exercisable at $0.10 per share for a period of 2 years from the issue date.

iii) entered into debt settlement and deferral agreements with creditors which resulted in a gain on debt settlement of $159,507 and a reclassification of $562,685 to long-term accounts payable as outstanding debts were agreed to be settled by April 15, 2018.