



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Six months ended August 31, 2016

The attached unaudited condensed interim financial statements have been prepared by Management of Sphinx Resources Ltd. and have not been reviewed by the auditors

SPHINX RESOURCES LTD.
Statements of Financial Position

As at August 31, 2016

(Unaudited, in Canadian Dollars)

	Notes	August 31, 2016 \$	February 29, 2016 \$
ASSETS			
Current assets			
Cash		163,434	199,890
Sales tax and other receivables		26,244	19,340
Tax credits receivable	2	52,078	1,010,906
Prepaid expenses		28,281	23,678
Total current assets		270,037	1,253,814
Non-current assets			
Non-current portion of tax credits receivable	2	19,818	11,996
Total non-current assets		19,818	11,996
TOTAL ASSETS		289,855	1,265,810
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		122,969	445,401
Loan payable	4	-	168,664
Current portion of sublease loss reserve	5	61,740	78,890
Current portion of convertible debentures	6	384,674	328,377
Total current liabilities		569,383	1,021,332
Non-current liabilities			
Sublease loss reserve	5	25,138	24,630
Total non-current liabilities		25,138	24,630
Total liabilities		594,521	1,045,962
Equity			
Capital stock		58,368,348	58,261,425
Equity component of convertible debentures		62,949	62,949
Warrants		1,353,925	1,232,937
Contributed surplus		9,938,185	9,904,454
Deficit		(70,028,073)	(69,241,917)
Total equity		(304,666)	219,848
TOTAL LIABILITIES AND EQUITY		289,855	1,265,810
Going concern	1		
Subsequent events	12		

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

SPHINX RESOURCES LTD.

Statements of Loss and Comprehensive Loss

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

		Three months ended August 31,		Six months ended August 31,	
	Notes	2016	2015	2016	2015
		\$	\$	\$	\$
Expenses					
Exploration and evaluation expenditures	3	247,689	342,582	272,754	1,042,746
General and administrative	9	135,560	195,984	217,016	374,378
Operating loss		(383,249)	(538,566)	(489,770)	(1,417,124)
Other expenses (income)					
Interest income		(138)	(83)	(138)	(777)
Finance costs	10	113,866	63,138	141,805	92,780
Loss before income taxes		(496,977)	(601,621)	(631,437)	(1,509,127)
Flow-through share premium		-	(9,613)	-	(175,313)
Loss and comprehensive loss for the period		(496,977)	(592,008)	(631,437)	(1,333,814)
Weighted average number of common shares outstanding					
- basic and diluted		48,047,177	42,081,650	47,342,327	40,536,080
Basic and diluted loss per common share		(0.01)	(0.01)	(0.01)	(0.03)

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

SPHINX RESOURCES LTD.

Statements of Changes in Equity

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

	Common Shares Number	Capital Stock	Equity component of convertible debenture	Warrant	Contributed Surplus	Deficit	Total Equity
		\$		\$	\$	\$	\$
Balance at February 28, 2015	36,294,859	57,882,141	62,949	1,582,370	9,553,131	(68,558,525)	522,066
Shares issued for:							
Project acquisition	8,584,615	307,538	-	-	-	-	307,538
Share for debt	100,000	5,000	-	-	-	-	5,000
Interest on convertible debentures	448,767	22,438	-	-	-	-	22,438
Share-based payment	-	-	-	-	1,719	-	1,719
Loss and comprehensive loss	-	-	-	-	-	(1,333,814)	(1,333,814)
Balance at August 31, 2015	45,428,241	58,217,117	62,949	1,582,370	9,554,850	(69,892,339)	(475,053)
 Balance at February 29, 2016	 46,637,478	 58,261,425	 62,949	 1,232,937	 9,904,454	 (69,241,917)	 219,848
Shares issued for:							
Project acquisition	2,923,077	106,923	-	-	-	-	106,923
Warrants expired	-	-	-	(33,731)	33,731	-	-
Warrants extended	-	-	-	154,719	-	(154,719)	-
Loss and comprehensive loss	-	-	-	-	-	(631,437)	(631,437)
Balance at August 31, 2016	49,560,555	58,368,348	62,949	1,353,925	9,938,185	(70,028,073)	(304,666)

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

SPHINX RESOURCES LTD.

Statements of Cash Flows

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

		Six months ended August 31,	
	Notes	2016	2015
		\$	\$
Operating activities			
Loss for the period		(581,586)	(1,333,814)
Adjustments for:			
Share-based payments		-	1,719
Shares issued for project acquisition	3	106,923	307,538
Shares for debt		-	5,000
Share issued for interest on convertible debentures		-	22,438
Finance income		(138)	(777)
Finance costs		141,805	31,427
Flow-through share premium		-	(175,313)
Changes in non-cash working capital items	11	599,917	268,257
Cash flow from operating activities		217,070	(873,525)
Financing activities			
Finance costs paid		(8,664)	(4,495)
Loan payable repayments		(160,000)	-
Cash flow from financing activities		(168,664)	(4,495)
Investing activities			
Finance income received		138	777
Disbursement - promissory note	10	(85,000)	-
Cash flow from investing activities		(84,862)	777
Change in cash during the period		(36,456)	(877,243)
Cash, beginning of period		199,890	897,148
Cash, end of period		163,434	19,905

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

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

Sphinx Resources Ltd. (the "Corporation") was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation's shares are listed on the TSX Venture Exchange ("Exchange") under the trading symbol "SFX". The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. The Corporation's head office is situated at 1000, De La Gauchetière West, Suite 2100, Montreal, Quebec, H3B 4W5.

The measurement of certain assets and liabilities is dependent on future events, therefore the preparation of these unaudited condensed interim financial statements ("Financial Statements") requires the use of estimates, which may vary from actual results. The success of the Corporation's exploration and evaluation activities is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Corporation to discover economically recoverable reserves.

1.1 Basis of presentation

These Financial Statements have been prepared in accordance International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended February 29, 2016, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year.

The Financial Statements of the Corporation for the six months ended August 31, 2016 were reviewed, approved and authorized for issue by the Board of Directors on October 6, 2016.

1.2 Going concern

The Financial Statements have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation recorded a loss of \$631,437 for the six months ended August 31, 2016, and has an accumulated deficit of \$70,028,073 as at August 31, 2016. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at August 31, 2016, the Corporation had a negative working capital of \$299,346 (positive of \$232,482 as at February 29, 2016), which includes a \$384,674 (\$328,377 as at February 29, 2016) convertible debenture maturing on December 19, 2016. These conditions indicate the existence of material uncertainty that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

2. TAX CREDITS RECEIVABLE AND PAYABLE

	August 31, 2016	February 29, 2016
Refundable tax credit for resources	\$ 96,337	\$ 315,893
Refundable tax credit for resources – provision	(46,700)	(46,700)
Quebec refundable credits on mining duties for losses	33,670	765,120
Quebec refundable credits on mining duties for losses – provision	(11,411)	(11,411)
Total tax credits receivable	71,896	1,022,902
Less: non-current portion of tax credits receivable	(19,818)	(11,996)
Tax credits receivable - current	52,078	1,010,906

3. MINERAL PROPERTIES

Mineral properties that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred. The Corporation's exploration and evaluation expenditures incurred are as follows:

	Three months ended August 31, 2016				Three months ended August 31, 2015			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cheechoo-Éléonore	38,569	4,943	(1,669)	41,843	-	-	-	-
Trend	-	-	-	-	-	-	-	-
Calumet-Sud	76,986	62	(21)	77,027	41,538	-	-	41,538
Green Palladium	(1,718)	62,916	(21,239)	39,959	-	231,514	(32,528)	198,986
Chemin Troilus	65,407	17,383	(5,868)	76,922	-	-	-	-
Somanike	(2,350)	19,072	(6,440)	10,282	111,000	(6,954)	(3,994)	100,052
Samson	-	-	-	-	535	308	-	843
Adam	-	-	-	-	-	1,163	-	1,163
Generation	-	2,500	(844)	1,656	-	-	-	-
Total	176,894	106,876	(36,081)	247,689	153,073	226,031	(36,522)	342,582

	Six months ended August 31, 2016				Six months ended August 31, 2015			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cheechoo-Éléonore	38,569	4,943	(1,669)	41,843	-	-	-	-
Trend	-	-	-	-	-	-	-	-
Calumet Sud	70,017	1,203	(406)	70,814	41,538	-	-	41,538
Green Palladium	3,480	68,653	(23,175)	48,958	160,185	305,562	(32,528)	433,219
Chemin Troilus	67,734	17,383	(5,868)	79,249	-	-	-	-
Somanike	3,002	41,115	(13,883)	30,234	111,190	237,431	(3,994)	344,627
Samson	-	-	-	-	2,966	202,654	-	205,620
Adam	-	-	-	-	-	17,742	-	17,742
Generation	-	2,500	(844)	1,656	-	-	-	-
Total	182,802	135,797	(45,845)	272,754	315,879	763,389	(36,522)	1,042,746

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES (CONT'D)

3.1 Cheechoo-Éléonore Trend project

On August 23, 2016, the Corporation signed a letter of agreement to form a 50-50% joint venture with Sirios Resources Inc. ("Sirios") to explore the claims that are presently under request along the northwest extension of the Cheechoo-Éléonore trend, located in the Eeyou Istchee James Bay region, Québec. Under the terms of this joint venture agreement, the partners have agreed to spend a minimum of \$ 500,000 by each party over the next five years. Sirios is the operator of the project. If one of the party's interest dilutes to 10% or less, its interest shall be converted to a 2% net smelter return royalty. At any time, the non-diluted party may purchase half of the Royalty-holder's rights to all future royalty payments for an immediate payment of \$1,000,000.

3.2 Calumet Sud project

The Calumet-Sud project was acquired in 2015 from Gardin Inc. ("Gardin"). In August 2016, the Corporation issued 1,923,077 shares valued at \$76,923 based on the Exchange share price of \$0.04 on the date of the share issuance. The Corporation must issue a further 2,842,231 common shares to Gardin and comply with certain conditions.

On March 25, 2016, the Corporation signed an option and joint venture agreement with SOQUEM to grant SOQUEM the option to acquire an undivided 50% interest in the Calumet-Sud project. SOQUEM will be the operator during the option period. Upon the exercise of the option, a joint venture would be created between the Corporation and SOQUEM.

Before March 31, 2016, SOQUEM paid \$93,000 to Gardin and \$7,000 to the Corporation. Also, SOQUEM must fund \$450,000 in exploration expenditures as follows:

	Work	
	Commitment	Completed
	\$	\$
On or before February 27, 2017	100,000	27,260
On or before August 31, 2018	150,000	-
On or before February 28, 2020	200,000	-
Total	450,000	27,260

3.3 Green Palladium project

The Corporation must satisfy the following exploration commitments as per the March 12, 2015 definitive agreement, failing which the project will be returned to Gardin:

	Work	
	Commitment	Completed
	\$	\$
On or before January 20, 2016	50,000	50,000
On or before January 20, 2017	100,000	100,000
On or before January 20, 2018	600,000	278,676
Total	750,000	428,676

3.4 Chemin Troilus project

On June 4, 2016, the Corporation signed a project acquisition agreement with Les Ressources Tectonic Inc. whereby the Chemin Troilus project was purchased under the following considerations: issuance of 1,000,000 common shares of the Corporation (completed and valued at \$30,000), \$35,000 cash payment (completed) and 2% net smelter return royalty of which 1.5% can be bought back by the Corporation for \$2,000,000. In addition, the Corporation acquired contiguous claims through map staking.

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES (CONT'D)

3.5 Somanike project

The Somanike project comprises of claims and 2 mining concessions (known as the Marbridge mine concessions). The Corporation must complete the following exploration work on 7 of the claims according to the June 15, 2015 (amended on June 7, 2016) definitive agreement, failing which the project will be returned to Globex Mining Enterprises Inc. ("Globex"):

	Work	
	Commitment	Completed
	\$	\$
On or before June 15, 2018	300,000	4,600
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
Total	500,000	4,600

4. LOAN PAYABLE

In March 2016, the Corporation reimbursed the residual balance of the loan payable for \$160,000 and was released from the Forbearance Agreement. The loan is summarized as follows:

	August 31, 2016	February 29, 2016
	\$	\$
Principal	-	160,000
Accrued interest	-	8,664
Loan payable	-	168,664

5. SUBLEASE LOSS RESERVE

The changes in the sublease loss reserve are as follows:

	Six months ended August 31,	
	2016	2015
	\$	\$
Balance, beginning of period	103,520	108,748
Payments	(17,150)	-
Accretion expense	508	816
Balance, end of period	86,878	109,564
Less current portion of sublease loss reserve	(61,740)	(41,160)
Non-current portion of sublease loss reserve	25,138	68,404

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

6. CONVERTIBLE DEBENTURES

	Six months ended August 31,	
	2016	2015
	\$	\$
Balance, beginning of period	328,377	275,299
Accretion expense	30,683	22,545
Issuance cost amortization	2,574	2,574
Accrued interest	23,040	-
Convertible debentures	384,674	300,418

In June 2016, the Corporation reached an agreement to postpone to December 2016 the issuance of common shares to pay the interest due as of June 19, 2016 on the convertible debentures.

7. COMMON SHARES AND WARRANTS

7.1 Warrants

The changes in warrants issued are as follows:

	Six months ended August 31, 2016		Six months ended August 31, 2015	
	Number of warrants	Weighted average exercise prices	Number of warrants	Weighted average exercise prices
		\$		\$
Balance, beginning of period	14,937,223	0.57	23,566,189	0.42
Expired	(1,540,000)	0.175	-	-
Balance, end of period	13,397,223	0.61	23,566,189	0.42

Outstanding warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

	August 31, 2016	
Expiry date	Number of warrants	Exercise price
		\$
September 5, 2018 ¹⁾	8,389,615	0.175
September 12, 2018 ¹⁾	1,925,000	0.175
December 19, 2016	625,000	0.11
December 19, 2016	1,442,308	0.17
July 17, 2018	941,900	6.00
August 7, 2018	73,400	6.00
	13,397,223	

1) The 8,389,615 warrants due to expire on September 5, 2016 and the 1,925,000 warrants due to expire September 12, 2016 were extended for two years such that the new expiry dates are September 5, 2018 and September 12, 2018, respectively. Total costs of the warrant extension amounts to \$113,461 for an estimated fair value of \$0.011 per warrant, recorded under warrants and the offsetting entry was recorded in the deficit. The fair value of the warrants extension was estimated using the Black-Scholes model calculated for the deference between the extended period and the remaining period when the decision was taken to extend the warrants. The assumptions used were as follow for the two periods respectively: no expected dividend yield, 52.8% and 9.9\$ expected volatility, 0.61% and 0.54% risk-free interest rate and 2.06 and 0.06 years warrant expected life.

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

7. COMMON SHARES AND WARRANTS (CONT'D)

7.2 Agent's compensation options and underlying warrants

The changes in agent's compensation options and underlying warrants issued are as follows:

	Six months ended			
	August 31, 2016		August 31, 2015	
	Number	Weighted average exercise prices	Number	Weighted average exercise prices
		\$		\$
Balance, beginning of period	491,978	0.61	1,007,978	0.38
Expired	(85,056)	3.00	(176,000)	0.15
Balance, end of period	406,922	0.11	831,978	0.42

Outstanding agent's compensation options and underlying warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

August 31, 2016			
Expiry Date	Number	Exercise price	
		\$	
December 19, 2016	406,922	0.11	
	406,922	0.11	

8. SHARE-BASED PAYMENTS

The changes in stock options issued are as follows:

	Six months ended			
	August 31, 2016		August 31, 2015	
	Number of options	Weighted average exercise prices	Number of options	Weighted average exercise prices
		\$		\$
Balance, beginning of period	1,400,000	0.125	1,525,000	0.125
Forfeited	-	-	(25,000)	0.125
Balance, end of period	1,400,000	0.125	1,500,000	0.125

Outstanding stock options entitling their holder to subscribe to an equivalent number of common shares as follow:

August 31, 2016			
Expiry Date	Number of options	Exercise price	
		\$	
October 10, 2024	1,400,000	0.125	
	1,400,000		

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

8. SHARE-BASED PAYMENTS (CONT'D)

On July 28, 2016, the Corporation amended its stock option plan (the "Stock Option Plan") to increase the maximum number of shares issuable upon exercise of the options from 1,543,000 to 4,700,000. Such number represents less than 10% of the total number of shares issued and outstanding. The amendment was approved by the Exchange.

9. GENERAL AND ADMINISTRATION

	Three months ended August 31,		Six months ended August 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Directors fees	12,000	9,000	24,000	18,000
Filing and transfer agent fees	14,469	12,386	16,400	20,685
Management fees	20,082	24,324	35,416	50,134
Office and miscellaneous	7,206	6,175	15,805	17,045
Professional fees	29,073	50,033	39,331	70,155
Promotion	15,965	19,504	18,085	51,483
Salaries and benefit	32,677	67,040	62,761	135,956
Share-based payments	-	573	-	1,719
Travel	4,088	6,949	5,218	9,201
General and administration	135,560	195,984	217,016	374,378

10. FINANCE COSTS

	Three months ended August 31,		Six months ended August 31	
	2016	2015	2016	2015
	\$	\$	\$	\$
Provision on promissory note receivable	85,000	-	85,000	-
Accretion sublease reserve	254	408	408	816
Accretion of convertible debentures	4,285	205	30,683	22,545
Issuance costs on convertible debentures	1,287	1,287	2,574	2,574
Common shares issued in lieu of interest payment on convertible debentures	-	22,438	-	22,438
Accrued interest on convertible debentures	23,040	-	23,040	-
Interest paid and accrued on loan payable	-	5,646	-	11,253
Interest accrued on tax credits payable	-	33,154	-	33,154
Finance costs	113,866	63,138	141,805	92,780

On July 17, 2016, the Corporation signed a promissory note with Eco-Niobium Resources Inc. ("Eco-Niobium") whereby the Corporation lent \$85,000 to Eco-Niobium. The Exchange approved this transaction. The loan bears interest at the rate of 3% per annum and matures in 36 months. The bridge loan is not convertible into Eco-Niobium Shares and is secured by a movable hypothec on all present and future movable assets of Eco-Niobium. The net proceeds of the loan will be used for general corporate purposes and to advance mining projects of Eco-Niobium including the social acceptability aspects of a niobium project of the Oka area.

SPHINX RESOURCES LTD.

Notes to the Financial Statements

Six months ended August 31, 2016 and 2015

(Unaudited, in Canadian Dollars)

10. FINANCE COSTS (CONT'D)

Sphinx had entered into an agreement with Eco-Niobium providing for a strategic investment in Eco-Niobium of up to \$250,000 by way of a non-brokered private placement of unsecured convertible debentures of Eco-Niobium. The TSX-V had conditionally approved the investment. One of the conditions that had to be satisfied was the approval by the shareholders of Corporation, excluding the votes of non-arms' length parties. The investment is a non-arms' length transaction under the policies of the Exchange as a result of three directors being also directors of Eco-Niobium, namely Normand Champigny, Kerry E. Sparkes and John W. W. Hick. The Corporation decided not to seek the disinterested shareholder approval at its October 6, 2016 shareholder meeting to complete the strategic investment in Eco-Niobium by way of a non-brokered private placement of unsecured convertible debentures of Eco-Niobium. Considering the current status of this project and the various approvals that Eco-Niobium has to achieve to successfully move this project forward, including obtaining the legal mineral rights, management has provided for 100% of the promissory note.

11. SUPPLEMENTAL CASH FLOW INFORMATION

	Six months ended August 31,	
	2016	2015
	\$	\$
Change in non-cash working capital items:		
Sales tax and other receivables	(6,904)	48,085
Tax credits receivable	951,006	(36,522)
Advances for exploration	-	145,327
Prepaid expenses	(4,603)	(5,061)
Trade and other payables	(322,432)	83,274
Tax credit payable	-	33,154
Sublease reserve	(17,150)	-
	599,917	268,257

12. SUBSEQUENT EVENTS

On September 22, 2016, the Corporation closed the first tranche of a non-brokered private placement for aggregate gross proceeds of \$276,500, comprised of 5,530,000 units of the Corporation at a price of \$0.05 per unit. Each unit consists of one common share in the capital of the Corporation and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.08 per common share until September 22, 2019. Management and one director of the Corporation subscribed for an amount of \$15,000 of the Private Placement. The Private Placement has been conditionally accepted by the TSX Venture Exchange. The Corporation paid certain finder's fee of up to 7% in cash, representing an aggregate amount of up to \$13,755, and issued 173,600 non-transferable finders warrants, each such entitling the finder to acquire one common share at a price of \$0.08 per common share until September 22, 2019.