WOLVERINE MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wolverine Minerals Corp.

We have audited the accompanying consolidated financial statements of Wolverine Minerals Corp., which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of comprehensive loss, changes in deficiency and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wolverine Minerals Corp. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Wolverine Minerals Corp.'s ability to continue as a going concern.

Other Matter

The consolidated financial statements of Wolverine Minerals Corp. for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2015.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 29, 2016

WOLVERINE MINERALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT		
Cash	**$ 6,584**	$ 96,233
GST receivable	**13,190**	5,111
Deposits	**-**	10,014
	19,774	111,358
NON-CURRENT		
Property and equipment (Note 7)	**18,997**	30,266
Exploration and evaluation assets (Note 6)	**49,857**	623,692
	68,854	653,958
	$ 88,628	$ 765,316
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 14)	**$ 445,814**	$ 847,963
Promissory notes (Note 8)	**61,250**	-
Convertible debentures (Note 9)	**389,805**	165,714
	896,869	1,013,677
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 10)	**13,891,308**	13,891,308
Contributed surplus	**2,014,637**	2,014,637
Convertible debentures – equity component (Note 9)	**115,998**	66,286
Accumulated deficit	**(16,830,184)**	(16,273,583)
Accumulated other comprehensive income	**-**	52,991
	(808,241)	(248,361)
	$ 88,628	$ 765,316

Commitment (Note 15)
Subsequent event (Note 16)

Approved on behalf of the Board:

"Thomas Doyle"		*"Logan Anderson"*	
Thomas Doyle	Director	Logan Anderson	Director

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

WOLVERINE MINERALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended December 31,	**2015**	2014
EXPENSES		
Office and professional fees	**$ 111,293**	$ 366,950
Management and directors fees (Note 14)	**246,000**	237,000
Exploration expenditures	**250,587**	399,645
Accretion	**99,803**	-
Interest	**38,195**	1,614
LOSS BEFORE OTHER ITEMS	**(745,879)**	(1,005,209)
Gain on disposition of subsidiary	**680,379**	-
Interest income	-	4,767
Foreign exchange gain	**1,086**	4,592
Recognition of foreign currency translation adjustment due to disposition of subsidiaries	**81,648**	-
Write-off of property and exploration and evaluation assets (Note 6)	**(573,835)**	(1,474,003)
NET LOSS	**(556,601)**	(2,469,853)
OTHER COMPREHENSIVE LOSS		
Reclassification of foreign exchange due to disposition of subsidiaries	**(81,648)**	-
Foreign currency translation adjustment	**28,657**	52,991
TOTAL COMPREHENSIVE LOSS	**$ (609,592)**	$ (2,416,862)
LOSS PER SHARE – Basic and diluted	**$ (0.02)**	$ (0.11)
Weighted average number of commons shares outstanding	**24,923,147**	22,928,626

WOLVERINE MINERALS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN DEFICIENCY
(Expressed in Canadian Dollars)

	Share Capital						
	Number	**Amount**	**Contributed Surplus**	**Convertible debentures**	**Deficit**	**Accumulated other comprehensive income**	**Total**
As at January 1, 2014	17,923,147	$ 13,366,308	$ -	$ -	$ (13,803,730)	$ -	$ 1,577,215
Share issuance (Note 10)	7,000,000	525,000	-	-	-	-	525,000
Convertible debentures (Note 9)	-	-	-	66,286	-	-	66,286
Net loss for the year	-	-	-	-	(2,469,853)	-	(2,469,583)
Other comprehensive income	-	-	-	-	-	52,991	52,991
Balance at December 31, 2014	**24,923,147**	**13,891,308**	**2,014,637**	**66,286**	**(16,273,583)**	**52,991**	**(248,361)**
Convertible debentures (Note 9)	-	-	-	49,712	-	-	49,712
Net loss for the year	-	-	-	-	(556,601)	-	(556,601)
Other comprehensive income	-	-	-	-	-	28,657	28,657
Reclassification of foreign exchange due to disposition of subsidiaries	-	-	-	-	-	(81,648)	(81,648)
Balance at December 31, 2015	**24,923,147**	**$ 13,891,308**	**$ 2,014,637**	**$ 115,998**	**$ (16,830,184)**	**$ -**	**$ (808,241)**

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

WOLVERINE MINERALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended December 31,		2015		2014
CASH FLOWS PROVIDED BY (USED FOR):				
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(556,601)**	$	(2,469,853)
Items not involving cash:				
Write-off of property and exploration and evaluation assets		**573,835**		1,474,003
Write-off of receivables		**-**		8,235
Accrued interest		**35,385**		-
Gain on disposition of subsidiaries		**(680,379)**		-
Recognition of foreign currency translation adjustment due to disposition of subsidiaries		**(81,648)**		-
Depreciation		**7,416**		3,044
Accretion expense		**99,803**		-
Change in non-cash working capital items:				
GST receivable		**(8,079)**		(6,705)
Deposits		**9,556**		(10,014)
Accounts payable and accrued liabilities		**279,038**		19,370
Net cash used in operating activities		**(326,514)**		(981,920)
INVESTING ACTIVITIES				
Purchases of equipment and leasehold improvements		**-**		(33,310)
Expenditures on exploration and evaluation assets		**-**		(64,342)
Cash change due to deconsolidation		**(802)**		-
Net cash used in investing activities		**(802)**		(97,652)
FINANCING ACTIVITIES				
Proceeds from issuance of common shares		**-**		525,000
Proceeds from issuance of convertible debentures		**174,000**		232,000
Proceeds from issuance of promissory notes		**61,250**		-
Net cash provided by financing activities		**235,250**		757,000
Effects of foreign currency exchange		**2,417**		-
DECREASE IN CASH		**(89,649)**		(322,572)
CASH, BEGINNING OF THE YEAR		**96,233**		418,805
CASH, END OF THE YEAR	**$**	**6,584**	**$**	96,233

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

NOTE 1 CORPORATE INFORMATION

Wolverine Minerals Corp. (the “Company”) was incorporated on June 7, 2004 in British Columbia, and its business is the acquisition, exploration and development of mineral properties. The Company is listed on the TSX Venture Exchange (the “TSX-V”). The address of the Company’s corporate office and principal place of business is Suite 1085, Bentall Two, 555 Burrard Street, Vancouver, British Columbia, Canada V7X 1M8.

During the year ended December 31, 2014, the Company completed the acquisition of Remedios Gold Holdings S.A. and Remedios Gold S.A.S. both of which are incorporated in Colombia. On July 2, 2014, the Company incorporated a new wholly owned Colombian subsidiary Neuva Granada Gold S.A.S. (“Neuva”). On December 27, 2015, the Company disposed its subsidiaries Remedios Gold Holdings S.A., Remedios Gold S.A.S., and Neuva Granada Gold S.A.S (Note 5) (collectively the “Remedios”).

NOTE 2 BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

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

b) Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in Canadian dollars. The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The Company’s functional currency is the Canadian dollar, and its subsidiaries’ functional currency is the Colombian peso.

c) Basis of Consolidation

The consolidated financial statements include the financial statements of Wolverine Minerals Corp. and its wholly-owned subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control and continue to be consolidated until the date when such controls ceases.

Details of the subsidiaries are as follows:

		Percentage controlled	
	Incorporated in	December 31, 2015	December 31, 2014
Remedios Gold Holdings S.A.	Panama	0%	100%
Remedios Gold S.A.S.	Colombia	0%	100%
Nueva Granada Gold S.A.S.	Colombia	0%	100%

NOTE 2 BASIS OF PREPARATION - (cont'd)

c) Basis of Consolidation - (cont'd)

Management determined the Company lost control of the Remedios on December 27, 2015. The Company had voting rights over these entities at the time of the disposition, but management has determined that the purchaser of the subsidiaries had effective control of the entities because of its access to records, control of management personnel, control of economic resources and capital decisions, and the assignment of risk and reward to the Purchaser ahead of the title transfer.

When the Company lost control of the Remedios, it derecognized the related assets, liabilities, and equity while any resultant gain or loss was recognized in profit or loss.

d) Going Concern

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. At December 31, 2015, the Company had not yet achieved profitable operations, and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

a) Foreign Currency Translation

The individual financial statements of each entity of the Company are prepared in the currency of the primary economic environment in which the entity operates (its "functional currency"). The functional currency of the Company is Canadian dollars and the functional currency of its subsidiaries is Colombian pesos.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of transactions. At each reporting date, monetary items denominated in foreign currencies are reinstated at rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not reinstated. Exchange difference are recognized in profit or loss in the period in which they arise.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

b) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of leasehold improvements and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is recorded based on the cost of an item of leasehold improvements and equipment, less its estimated residual value, using the straight-line method over the following expected useful lives:

Equipment	2 to 3 years
Leasehold improvements	5 years

Items of property and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period, and adjusted prospectively if appropriate.

c) Exploration and Evaluation Assets

Once the legal right to explore has been acquired, costs directly related to exploration and evaluation ("E&E") expenditures are recognized and capitalized, in addition to acquisition costs. These direct expenditures include such costs as materials used, staking costs, drilling costs and payments made to contractors. Costs not directly attributable to exploration and evaluation expenditures, including general administration and overhead costs are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, the exploration and evaluation expenditures, along with the acquisition costs, are deemed to be impaired and written off.

The Company assesses exploration and evaluation assets for impairment when the facts and circumstances suggest that the carrying amount of these assets may exceed their recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'Mines under construction'.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

d) Impairment of Non-financial Assets

Non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent it reverses gains previously recognized in other comprehensive loss/income.

e) Financial Instruments

Financial Assets

Financial assets are classified into the following category based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash and cash equivalents or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the 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.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

e) Financial Instruments – (cont'd)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Other financial liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial Instrument Classification

During the year ended December 31, 2015 and 2014, the Company classified its financial instruments as follows:

- Cash and deposits as loans and receivables
- Accounts payable, convertible debentures, and promissory notes as other financial liabilities

f) Provisions

Provision for Environmental Rehabilitation
The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

As of December 31, 2015 and 2014, the Company did not have any rehabilitation obligations.

g) Convertible debentures

When the Company issues convertible debt, the proceeds are allocated first to the debt component, based on its discounted cash flows using a discount rate appropriate for similar debts without conversion features. The residual value is allocated to all equity components, and is included in share-based payments reserve. The debt component is accreted over its contractual life using the effective interest method, which includes other costs, such as finders' fees. The accretion expense is included in profit or loss as interest expense. On settlement of the debt, the equity components are transferred to deficit.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

h) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using the tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

i) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted loss per share. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if-converted" method. Diluted amounts are not presented when the effects of the computation are anti-dilutive.

j) Share-based Payments

The Company grants stock options to buy 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 is 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. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to deficit.

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.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

k) Share-based Payments – (cont'd)

Upon exercise, equity-settled share-based payments are reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where options are cancelled or settled during the period when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

l) New accounting standards and interpretations issued but not yet adopted
IFRS 9, Financial Instruments – Classification and Measurement: Effective for annual periods on or after January 1, 2018. IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

Other new standards or amendments are either no applicable or not expected to have a significant impact on the Company's financial statements.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Significant Judgements

The most significant judgments in applying the Company's accounting policies in these financial statements are:

i) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

ii) Determination of Functional Currency

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

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – (cont'd)

Significant Judgments (cont'd)

iii) Acquisition of Remedios

Determining whether or not the acquisition of the Remedios constituted a business combination or an acquisition of assets. The benefit to the Company of acquiring Remedios was the acquisition of its mineral properties. Management concluded that because Remedios did not possess the necessary inputs and processes capable of producing outputs it did not meet the definition of a business as defined by IFRS. Accordingly, the transaction was accounted for as an acquisition of assets and the fair value of the consideration paid was allocated to the assets acquired.

iv) Disposition of Remedios

Management determined the Company lost control of its Remedios subsidiaries based on transfer of control of the Remedios subsidiaries to the purchaser, considering its access to records, control of management personnel, control of economic resources and capital decisions, and the assignment of risk and reward to the purchaser ahead of the title transfer.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Significant Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include

i) Carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which have been 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 and existing permits.

ii) Valuation of share-based compensation and brokers' warrants

Management uses the Black-Scholes Pricing Model for valuation of share based compensation and brokers' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves.

iii) Recoverability and measurement of deferred tax assets

In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position 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.

(Expressed in Canadian Dollars)

NOTE 5 COLOMBIAN SUBSIDARIES

During the year ended December 31, 2014, the Company entered into a share purchase agreement with Herbo Assets S.A.("Herbo"), and Tolima Gold (Barbados) Corp., whereby the Company acquired a 100% interest in Remedios Gold Holding S.A. and Remedios Gold S.A.S. (collectively "Remedios subsidiaries") in exchange for consideration of US$700,000 ($747,065CDN). On July 31, 2014, the transaction was closed and consideration was paid.

Allocation of consideration – Assets and Liabilities of Remedios subsidiaries:

Cost consisted of:

Settlement of advance	$	747,065
Total cost of acquisition	$	747,065
Net assets acquired:		
Cash	$	222
Property, equipment and exploration and evaluation assets		1,409,661
Accounts payable		(662,818)
Net assets acquired	$	747,065

Title Dispute

On May 22, 2014, the Municipal Court of Segovia ordered that a certain plaintiff who was the holder in 1993 of the mineral title 7299 had to be reinstated as the registered holder of the mineral title along with the equipment existing at that time. This resulted from an action that was initially filed in 2004 against numerous third parties. In 2014, Remedios Gold S.A.S. was added into the litigation process. On October 20, 2014, the Superior Court of Antioquia ruled and confirmed the previous finding of the Municipal Court of Segovia. The Company was evicted from the operating facility. During the year ended December 31, 2014, the Company decided to write-off the costs associated with the assets acquired through the aforementioned share purchase agreement.

Disposition of Colombian Subsidiaries

On December 23, 2015, the Company entered into a binding Letter Agreement to sell the Remedios subsidiaries and Nueva Granada Gold S.A.S (collectively, the "Subsidiaries").

In consideration for sale of the issued and outstanding shares of the Subsidiaries, the purchaser assumed all liabilities of the Subsidiaries. In addition, the purchaser granted the Company a 3.0% net smelter return ("NSR") royalty on the minerals that may be produced from the mineral properties held by the Subsidiaries. The purchaser is entitled to repurchase the 3% NSR royalty from the Company at any time for US$700,000. The Company has estimated the fair value of the NSR royalty to be nominal.

The date of disposition was December 27, 2015.

The carrying values of assets and liabilities of the Subsidiaries at the date of disposition are as follows:

Extinguished accounts payable and accrued liabilities	$ (680,379)
Gain on disposition of Subsidiaries	$ (680,379)

On February 16, 2016, the Company closed the share purchase agreement for the sale of the Subsidiaries.

(Expressed in Canadian Dollars)

NOTE 5 COLOMBIAN SUBSIDARIES – (cont'd)

Disposition of Colombian Subsidiaries – (cont'd)

The Company operates under a single line of business which is engaged in exploration and development of the mineral resources. The Subsidiaries did not have cash flows and operations that could be clearly distinguished from the rest of the entity. As a result, the result of operations of the Subsidiaries have not been separately reported as discontinued operations in the consolidated statement of comprehensive loss.

NOTE 6 EXPLORATION AND EVALUATION ASSETS

Yukon Territory Properties:

a) The Company acquired the Andy property, in the Logan Mountains area, Watson Lake Mining Division, Yukon, which consists of 48 claims.

b) The Company entered into an agreement on January 3, 2011 to purchase the Vivi property, Simpson Range area, Watson Lake Mining Division, Yukon. The Vivi property consists of 16 claims. The Company made a single payment of $35,000. The vendor retains a 2% NSR royalty from any production from the property, half of which may be re-purchased by the Company at anytime for $1,000,000. Additional claims have been staked. As of December 31, 2015, the Company holds 70 contiguous claims.

During the year ended December 31, 2015, the Company wrote down exploration costs relating to the Yukon Territory Properties totaling $573,835 (2014 - $Nil) to net loss.

	Acquisition and Maintenance	Deferred Exploration	Total
Balance – December 31, 2013 and 2014	**$ 49,857**	**$ 573,835**	**$ 623,692**
Impairment	**-**	**(573,835)**	**(573,835)**
Balance – December 31, 2015	**$ 49,857**	**$ -**	**$ 49,857**

NOTE 7 PROPERTY AND EQUIPMENT

	Leasehold improvements	**Equipment**	**Total**
Cost			
December 31, 2013	$ -	$ -	$ -
Additions	19,249	14,061	33,310
December 31, 2014	19,249	14,061	33,310
Additions	-	-	-
Impairment	-	(4,378)	(4,378)
December 31, 2015	19,249	9,683	28,932
Depreciation			
December 31, 2013	-	-	-
Depreciation for the year	(1,925)	(1,119)	(3,044)
December 31, 2014	(1,925)	(1,119)	(3,044)
Depreciation for the year	(3,852)	(3,564)	(7,416)
Impairment	-	525	525
December 31, 2015	(5,777)	(4,158)	(9,935)
Net book value			
December 31, 2014	$ 17,324	$ 12,942	$ 30,266
December 31, 2015	$ 13,472	$ 5,525	$ 18,997

(Expressed in Canadian Dollars)

NOTE 8 PROMISSORY NOTES

During the year ended December 31, 2015, the Company entered into promissory note agreements for the sum of $61,250. The promissory notes are unsecured, bear interest at 12% per annum, and due on demand. As at December 31, 2015, the Company recorded accrued interest of $2,877 included in accounts payable and accrued liabilities.

NOTE 9 CONVERTIBLE DEBENTURES

	Liability Component	Equity Component
Balance – December 31, 2013	$ -	$ -
Amount at date of issue	165,714	66,286
Balance – December 31, 2014	165,714	66,286
Amount at date of issue	124,288	49,712
Accretion expense	99,803	-
Balance – December 31, 2015	$ 389,805	$ 115,998

On December 29, 2014, the Company completed the first tranche of a private placement of convertible debentures for the principal sum of $232,000. The convertible debentures bear interest at 10% per annum, repayable on December 29, 2015. The convertible debentures are convertible at the option of the holders into units of the Company at a conversion price of $0.05 per unit. Each unit consists of one common share and one non-transferrable share purchase Warrant. Each Warrant will entitle the holder to purchase one share at a price of $0.05 per share for a period of three years. The accrued interest on the principal amount of the Debentures will be convertible into units at a conversion price of the greater of $0.05 per unit and the market price on the date of any applicable conversion. As at December 31, 2015, $232,000 convertible debentures were in default.

During February through May of the year ended December 31, 2015, the Company completed the second tranche of a private placement of convertible debentures for the principal sum of $174,000. The convertible debentures bear interest at 10% per annum, and are repayable one year from their issue date. The convertible debentures are convertible at the option of the holders into units of the Company at a conversion price of $0.05 per unit. Each unit consists of one common share and one non-transferrable share purchase Warrant. Each Warrant will entitle the holder to purchase one share at a price of $0.05 per share for a period of three years. The accrued interest on the principal amount of the Debentures will be convertible into units at a conversion price of the greater of $0.05 per unit and the market price on the date of any applicable conversion.

For accounting purposes, the principal amount of convertible debentures are separated into liability and equity components. The fair value of the liability component at the time of issue was calculated as the discounted cash flows for the convertible debentures assuming a 40% effective interest rate which was the estimated rate for similar debentures without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component.

During the year ended December 31, 2015, the Company recorded an accretion expense of $99,803 (2014 -$Nil).

(Expressed in Canadian Dollars)

NOTE 10 SHARE CAPITAL AND RESERVES

Common Shares

Authorized share capital consists of an unlimited number of common shares without par.

During the year ended December 31, 2014, the Company completed a non-brokered private placement financing on April 15, 2014 of 7,000,000 units at a price of $0.075 per unit for gross proceeds of $525,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.10 per share until April 15, 2017.

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Warrants	Weighted Average Exercise Price
Balance, December 31, 2013	**7,000,000**	**$0.10**
Issued	7,000,000	$0.10
Balance, December 31, 2015 and 2014	**14,000,000**	**$0.10**

As at December 31, 2015, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
7,000,000	$0.10	June 18, 2016
7,000,000	$0.10	April 15, 2017
14,000,000	**$0.10**	

Stock Options

On November 20, 2006, the Company's Board of Directors approved the adoption of a "rolling" stock incentive plan (the "Plan") in accordance with the policies of the TSX-V. The Board of Directors is authorized to grant options under the Plan to directors, officers, consultants or employees to acquire up to a maximum of 10% of the issued and outstanding common shares at the time an option is granted. The exercise prices of options granted shall not be less than the Discounted Market Price, as defined in Exchange Policy 2.4, and the exercise period shall not exceed 5 years from the date the option is granted. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares outstanding at the time of the grant or 2% if the recipient is a consultant or employed in an investor relations capacity.

The following table summarizes the changes in stock options during the years presented:

	Options	Weighted Average Exercise Price
Balance December 31, 2013	**700,000**	**$0.10**
Expired	(225,000)	$0.10
Balance December 31, 2015 and 2014	**475,000**	**$0.10**

(Expressed in Canadian Dollars)

NOTE 10 SHARE CAPITAL AND RESERVES – (cont'd)

Stock Options – (cont'd)

As at December 31, 2015, the stock options were exercisable and outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (years)
100,000	$0.10	August 11, 2016	0.62
375,000	$0.10	February 23, 2017	1.15
475,000	$0.10		

NOTE 11 INCOME TAXES

A reconciliation of income recovery at statutory rates with the reported recovery is as follows:

		2015		2014
Loss before income taxes	**$**	**(556,601)**	$	(2,469,853)
Tax recovery based on statutory rate of 26%		**(144,716)**		(642,000)
Effect of reduction in statutory rate		**-**		(24,000)
Non-deductible expenses		**(10,575)**		7,000
Adjustment to prior years provision versus statutory tax returns		**1,969,934**		-
Foreign income taxed at other than Canadian rate		**-**		17,000
Impact of losses due to acquisition		**-**		388,000
Change in unrecognized deferred income tax assets		**90,357**		254,000
Income tax recovery	**$**	**-**	$	-

		2015		2014
Non-capital losses	**$**	**927,405**	$	845,000
Share issuance costs		**2,155**		1,000
Equipment		**3,509**		1,000
Debt with accretion		**4,288**		-
Exploration and evaluation assets		**-**		1,905,000
Unrecognized deferred tax assets		**(937,357)**		(2,752,000)
Net deferred income tax assets	**$**	**-**	$	-

As at December 31, 2015, the Company has estimated non-capital losses for Canadian tax purposes of $3,616,000 that may be carried forward to reduce taxable income derived in future years.

NOTE 12 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risk and assessed the impact and likelihood of this exposure. These risks include market risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of interest rate risk, foreign currency risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances, convertible debentures and promissory notes. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of major Canadian and Colombian chartered banks. The Company regularly monitors compliance to its cash management policy. The Company's convertible debentures (Note 9) and promissory notes (Note 8) accrue interest at a fixed rate; therefore the Company considers this risk to be immaterial.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. During the year ended December 31, 2015, the Company sold its wholly owned Colombian Subsidiaries and no longer transacts in Colombian Pesos. As a result, the Company's exposure to foreign currency risk is minimal.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors commodity prices to determine appropriate actions to be under-taken.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As of December 31, 2015, the Company is exposed to credit risk with respect to its cash of $6,584 (2014: $96,233). Cash is held with reputable Canadian banks which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts and is available on demand. As at December 31, 2015, the Company has not yet generated revenue to cover operating expenditures. The Company also has a significant amount of short-term debt. The Company will require additional financing to fund its on-going operations and currently has no resources from which to repay its outstanding obligations. There can be no certainty of the Company's ability to raise additional financing in a timely manner. Consequently, the Company is significantly exposed to liquidity risk.

NOTE 13 CAPITAL DISCLOSURES

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' deficiency as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

There have been no changes to capital management during the year ended December 31, 2015.

NOTE 14 RELATED PARTY TRANSACTIONS

All related party transactions were in the normal course of business and have been measured at the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, do not bear interest and are due on demand. Related party transactions during the year ended December 31, 2015 and 2014 not disclosed elsewhere in these consolidated financial statements are as follows:

a) The Company incurred $192,000 (2014: $192,000) for consulting fees charged by two officers of the Company for the year ended December 31, 2014.

b) The Company incurred $54,000 in director's fees (2014: $45,000) for the year ended December 31, 2015.

c) At December 31, 2015 accounts payable and accrued liabilities included $216,862 (December 31, 2014:$201) due to directors of the Company.

d) At December 31, 2015 convertible debentures included $381,997 (December 31, 2014:$162,399) due to directors of the Company.

e) At December 31, 2015 promissory notes included $61,250 (December 31, 2014:$Nil) due to directors of the Company.

NOTE 15 COMMITMENT

During the year ended December 31, 2014, the Company entered into a five year lease agreement for office space in Vancouver BC. The lease commences July 1, 2014. Annual lease payments under this agreement are approximately $33,183 from year 1 to year 3 and $34,412 from year 4 to year 5. In addition to the basic rent, the Company is also responsible for its proportionate share of annual property taxes and operating expenses.

NOTE 16 SUBSEQUENT EVENT

Subsequent to the year ended December 31, 2015, the Company issued promissory notes for a sum of $88,000.The promissory notes are unsecured, interest bearing at 12% per annum and are due on demand.