

**Sunvest Minerals Corp.**  
(formerly Strike Diamond Corp.)

Condensed Interim Consolidated Financial Statements

For the period ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the quarters ended March 31, 2016 and 2015 and as at March 31, 2016 and June 30, 2015 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**Sunvest Minerals Corp.**  
(formerly Strike Diamond Corp.)  
Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	Notes	March 31, 2016	June 30, 2015
<b>Assets</b>		\$	\$
<b>Current assets</b>			
Cash		2,153	92,224
Other receivables and prepaid expenses		21,088	13,715
Exploration and evaluation assets	5	23,241 13,780	205,939 738,345
Total assets		37,021	944,284
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		150,872	129,024
Convertible debentures	6	276,514	249,081
		427,386	378,105
<b>Shareholders' equity (deficit)</b>			
Share capital	7	4,521,983	4,460,759
Reserves		1,082,442	1,082,442
Deficit		(5,992,313)	(4,974,545)
Non-controlling interest		(387,888) (2,477)	568,656 (2,477)
Total shareholders' equity (deficit)		(390,365)	566,179
Total liabilities and shareholders' equity		37,021	944,284

*Nature of operations (note 1)*  
*Subsequent event (note 11)*

**Approved on Behalf of the Board of Directors:**

/s/ Gordon Zelko  
Director

/s/ David Toyoda  
Director

See accompanying notes to the financial statements

**Sunvest Minerals Corp.**

(formerly Strike Diamond Corp.)

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three Months Ended		Nine Months Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>General and administration expenses</b>	\$	\$	\$	\$
Consulting fees	12,500	-	17,500	31,500
Professional fees	17,116	6,946	36,755	123,854
General and administration	2,517	3,069	3,539	6,929
Investor relations	1,714	25,000	5,413	27,431
Regulatory and filing fees	10,590	11,435	17,772	32,647
Share-based compensation	-	66,536	-	66,536
<b>Loss before other items</b>	<b>(44,437)</b>	<b>(112,986)</b>	<b>(80,979)</b>	<b>(288,897)</b>
<b>Other (expenses) income, net</b>				
Finance cost	(13,335)	(19,473)	(52,280)	(19,473)
Gain on settlement of accounts payable	-	9,024	7,990	152,980
Impairment of Exploration and Evaluation Asset	(892,499)	-	(892,499)	-
<b>Net loss for the period</b>	<b>(950,271)</b>	<b>(123,435)</b>	<b>(1,017,768)</b>	<b>(155,390)</b>
<b>Net loss attributable to</b>				
Owners of the Company	(950,271)	(123,435)	(1,017,768)	(155,383)
Non-controlling interest	-	-	-	(7)
<b>Net loss and comprehensive loss for the period</b>	<b>(950,271)</b>	<b>(123,435)</b>	<b>(1,017,768)</b>	<b>(155,390)</b>
<b>Basic and diluted (loss) income per share</b>	<b>(\$0.30)</b>	<b>(\$0.05)</b>	<b>(\$0.33)</b>	<b>(\$0.10)</b>
<b>Weighted average shares outstanding</b>	<b>3,189,913</b>	<b>2,267,114</b>	<b>3,110,232</b>	<b>1,488,666</b>

See accompanying notes to the financial statements

**Sunvest Minerals Corp.**  
(formerly Strike Diamond Corp.)  
Consolidated Statement of Changes in Shareholders' Equity (Deficit)  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	Attributable to the owners of the Company							Total equity \$	
	Shares #	Share capital \$	Reserves			Deficit \$	Total for owners \$		NCI \$
			Contributed surplus \$	Convertible debt equity component \$					
<b>Balance at June 30, 2014</b>	449,065	3,576,098	326,472	-	(4,687,111)	(784,541)	(2,470)	(787,011)	
For cash									
Share issuance – private placement	333,333	200,000	-	-	-	200,000	-	200,000	
Share issuance – private placement	600,000	360,000	-	-	-	360,000	-	360,000	
Share issue cost - cash	-	(19,400)	-	-	-	(19,400)	-	(19,400)	
Shares issuance – option agreement	144,915	72,457	-	-	-	72,457	-	72,457	
Shares issuance to settle debt	1,124,231	562,115	-	-	-	562,115	-	562,115	
Shares issuance - convertible debenture interest	12,053	7,835	-	-	-	7,835	-	7,835	
Contributed surplus – convertible debt	-	-	50,248	-	-	50,248	-	50,248	
Warrants issued pursuant to option agreement	-	-	50,000	-	-	50,000	-	50,000	
Share based compensation	-	-	66,536	-	-	66,536	-	66,536	
Net loss for the period	-	-	-	-	(155,383)	(155,383)	(7)	(155,390)	
<b>Balance at March 31, 2015</b>	2,663,597	4,759,105	443,008	50,248	(4,842,494)	409,867	(2,477)	407,390	
<b>Balance at June 30, 2015</b>	3,024,735	4,460,759	1,032,194	50,248	(4,974,545)	568,656	(2,477)	566,179	
Share issuance – convertible debt interest	65,178	16,597	-	-	-	16,597	-	16,597	
For cash									
Share issuance – private placement	100,000	50,000	-	-	-	50,000	-	50,000	
Share issue cost	-	(5,373)	-	-	-	(5,373)	-	(5,373)	
Net loss for the period	-	-	-	-	(1,017,768)	(1,017,768)	-	(1,017,768)	
<b>Balance at March 31, 2016</b>	3,189,913	4,521,983	1,032,194	50,248	(5,992,313)	(387,888)	(2,477)	(390,365)	

See accompanying notes to the financial statements

**Sunvest Minerals Corp.**  
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Condensed Interim Consolidated Statement of Cash Flows  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	<b>Nine Months Ended</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Cash outflow from operating activities</b>	\$	\$
Net loss for the period	(1,017,768)	(155,390)
Items not affecting cash		
Financing costs	24,847	-
Convertible debenture – accretion expense	27,433	11,638
Gain from settlement of accounts payables	(7,990)	(152,980)
Share-based compensation	-	66,536
Impairment of exploration and evaluation assets	892,499	-
	(80,979)	(230,196)
Change in non-cash operating working capital		
accounts receivable and prepaid expense	(7,373)	(34,118)
accounts payable and accruals	21,588	40,620
	(66,764)	(223,694)
<b>Cash inflows used in financing activities</b>		
Proceeds from private placement, gross	50,000	560,000
Share issuance cost	(5,373)	(19,400)
	44,627	540,600
<b>Cash outflows used in investing activity</b>		
Expenditure for exploration and evaluation assets	(167,934)	(292,484)
	(167,934)	(292,484)
<b>Increase (decrease) in cash</b>	(190,071)	24,422
<b>Cash – beginning of period</b>	192,224	283
<b>Cash – end of period</b>	2,153	24,705
<b>Supplemental cash flow information</b>		
Exploration and evaluation assets - convertible debenture issuance	-	276,514
Convertible debenture – equity component	-	50,248
Convertible debenture – Interest settled in shares	-	7,835
Accounts payables settlement – Share issuance	-	562,115
Exploration and evaluation assets – warrants issuance	-	50,000
Exploration and evaluation assets – share issuance	-	72,457

See accompanying notes to the financial statements

## **1 Nature of operations**

The Company was incorporated as Minati Capital Corp. under the *Business Corporations Act* (British Columbia), on January 8, 2008. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol SRK. On November 21, 2014, the Company changed its name to Strike Diamond Corp. On March 15, 2016, the Company consolidated its share capital on a ten to one basis and changed its name to Sunvest Minerals Corp and its trading symbol to SSS. These financial statements reflect the share consolidation.

The Company is in the exploration stage and is in the process of exploring and developing its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company’s corporate office and principal place of business is Suite 1000 – 409 Granville Street, Vancouver BC, V6C 1T2, Canada.

### *Going concern*

This condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at March 31, 2016, the Company had not advanced its exploration and evaluation assets to commercial production. At March 31, 2016, the Company has not achieved profitable operations, has accumulated losses of \$5,992,313 since inception and expects to incur further losses in the development of its business, all of which cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in future.

## **2 Basis of presentation and statement of compliance**

### *Statement of Compliance*

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) and have been prepared following the same accounting policies and method of computation as the annual financial statements for the year ended June 30, 2015. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements are authorized for issue by the Board of Directors on May 27, 2016.

## **2 Basis of presentation and statement of compliance (cont'd)**

### *Basis of Measurement*

The financial have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiary. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. They also require management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

### **Principles of Consolidation**

These consolidated financial statements include the accounts of the Company and its subsidiary as at December 31, 2015. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiary ("Group") as if they formed a single entity. All inter-company transactions and balances between group companies are therefore eliminated in full.

The Company incorporated a subsidiary, Strike Gold Corp., on September 12, 2011 in the Province of British Columbia. As at December 31, 2015, the Company holds 89% of interest in Strike Gold Corp. These consolidated financial statements include the accounts of Strike Gold Corp as well as the recognition of an 11% non-controlling interest in Strike Gold Corp.

### **New accounting standards and interpretations adopted**

Effective July 1, 2014, the Company adopted the following accounting standards issued by IASB.

#### *IAS 24— Related Party Disclosures*

The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The application of this IAS did not have a material impact on the amounts reported for the current or prior years but may affect the disclosure for future transactions or arrangements.

#### *IFRIC 21 – Levies*

The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

## **2 Basis of presentation and statement of compliance (cont'd)**

### *Accounting Standards issued but not yet applied*

The following standards, interpretations and amendments, which have not been applied to in these consolidated financial statements, will or may have an effect on the Company's future consolidated financial statements. The Company is in the process of evaluating these new standards.

### *IFRS 9 — Financial instruments, classification and measurement*

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

## **3 Critical estimates and judgements**

The Company makes certain estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments assumptions 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 judgments.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

### **Recoverability of Capitalized Exploration and Evaluation Expenditure**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company and the maintenance of good standing of the mineral titles, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

### **Valuation of Share Based Payments**

Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the share based option granted. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, interest rates and, dividend yield and making assumptions about them. The models and assumptions used for estimating the fair value of share-based payment transactions are disclosed in Note 8 – Share based compensation.

### **Convertible debenture**

Management estimates the interest rate on a similar liability debenture that does not have an equity conversion option in the calculation of the fair value of the liability and equity portions of a compound instrument upon initial recognition

## 4 Financial instruments

### Fair values of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and a convertible debenture.

The accounting classification and of each category of financial instruments, and the level within the fair value hierarchy in which they have been classified are set out below:

	Fair Value Hierarchy Level	March 31, 2016	June 30, 2015
<b>Financial assets</b>		\$	\$
Sales tax receivables	1	12,131	13,715
Cash	1	2,153	192,224
<b>Financial liabilities</b>			
Accounts payable & accrued liabilities <sup>(1)</sup>	1	150,872	129,024
Convertible debenture <sup>(2)</sup>	1	276,514	249,081

(1) The carrying value of cash and receivables, accounts payable and accrued liabilities, approximates fair value due to the short-term nature of these items.

(2) The face value of the convertible loan payable would approximate the fair value of the facility.

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not consider its exposure to interest rate risk to be significant.

#### 4 Financial instruments (cont'd)

##### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's goal is to have sufficient capital or access to capital to allow it to meet its liabilities when they become due. This goal has not been fully met in recent periods thereby increasing the liquidity risk. As at March 31, 2016, the Company had a working capital deficiency of \$404,145 as compared to \$172,166 at June 30, 2015. The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

#### 5 Exploration and evaluation assets

	Notes	Sask Craton Project and Sask Craton North Project	Garland Lake	Total
		\$	\$	\$
<b>June 30, 2014</b>		-	-	-
<i>Acquisition cost</i>				
Shares issued		101,440	-	101,440
Warrants issued		60,285	-	60,285
<i>Deferred exploration costs</i>				
General exploration		276,514	-	276,514
Geological		179,963	-	179,963
Survey		120,143	-	120,143
<b>June 30, 2015</b>		738,345	-	738,345
<i>Deferred exploration costs</i>				
Staking		-	13,780	13,780
Survey		154,154	-	154,154
impairment		(892,499)	-	(892,499)
<b>March 31, 2016</b>		-	13,780	13,780

## **5 Exploration and evaluation assets (cont'd)**

### **Sask Craton Property Agreement**

On May 20, 2014, and as amended, the Company entered into an agreement (the “Sask Craton Property Agreement”) to acquire an 80% undivided interest in approximately 1.25 million acres of mineral claims located within east-central Saskatchewan (“Sask Craton Property”).

As consideration for the Sask Craton property the Company is required to make the following:

- i) Issue 100,000 common shares to Zimtu Capital Corp. (“Zimtu”); (issued)
- ii) Issue 100,000 share purchase warrants, each warrant exercisable into one common share of the Company at an exercise price of \$2.50 per share for a period of three years from the date of issue; (issued).
- iii) Cash payments to Kalt Industries Ltd. (“KIL”) (a company controlled by the former President, former CEO Corporate Secretary and former Director of the Company) and DG Resource Management Ltd. (“DG”) (a company controlled by the former VP, Exploration of the Company) beginning on January 15, 2015 and extending through February 1, 2016 totalling \$553,028, with the first payments of \$138,257 due on January 15, 2015 and \$138,257 due April 30, 2015 (the “2015 Payments”), and the balance due on February 1, 2016. On January 5, 2015 the Company entered into unsecured convertible debentures with KIL and DG with respect to the 2015 Payments. The balance due on February 1, 2016 remains outstanding and is required to be made by the Company in order to complete the property option. The Company did not meet its option requirements on February 1, 2016 and the property option is in default.
- iv) Subject to completing the earn-in of the Sask Craton property option by the Company, the vendors will collectively retain a 20% carried interest up to, but not including, mine construction (KIL – 16.464%, DG – 1.768% , Zimtu – 1.768% ), and a 3% gross royalty (KIL - 2.47%, DG – 0.265% , Zimtu – 0.265%).
- v) There are no mandatory exploration requirements imposed on the Company for the Sask Craton Property.

If the Company fails to complete the obligations of the Sask Craton Property Agreement, all the claims comprising the optioned tenure will revert on a claim by claim basis to the original holders identified in the Sask Craton Property Agreement.

### **Sask Craton North Property Agreement**

On May 20, 2014, the Company entered into an agreement to acquire an 80% undivided interest in a contiguous property (“Sask Craton North Property”) totalling approximately 92,450 acres.

As consideration for the Sask Craton North property, the Company issued 44,915 common shares to the vendors (“Sask Craton North Share Payment”). As a result of the Sask Craton North Share Payment, the Company completed its earn-in of the Sask Craton North Property. Upon that earn-in, the property vendors also retained a 20% carried interest up to, but not including, mine construction (NIL – 20%) and as well as a 3% gross royalty (KIL – 2.1%, 0.9% other).

The Sask Craton North Property is different than the Sask Craton Property and was acquired by way of a separate agreement.

There were no exploration expenditure requirements imposed on the Company in the Sask Craton North Agreement for the Sask North Craton property.

During the period ended March 31, 2016, the Company decided not to remedy the situation and decided to abandon the Sask Craton property and Sask Craton North Property as a result the Company wrote-off \$892,449 in exploration costs.

## **5 Exploration and evaluation assets (cont'd)**

### **Garland Lake**

On October 6, 2015, the Company increased its mineral tenure position in the Garland Lake exploration district in Labrador, Canada, by staking approximately 10,000 acres of mineral tenure in the area.

## **6 Convertible debenture**

On January 5, 2015, the Company issued two convertible debentures (the "Debentures") having combined issue value of \$276,514 to two different entities controlled by a former director and former officer (Ryan Kalt) and a former officer of the Company (Jody Dahrouge) respectively. The Debenture carries interest at the rate of 12% per annum, payable in common shares of the Company on a quarterly basis. The Debenture is unsecured with a maturity date on February 1, 2016 ("Maturity Date"). Each Debenture is convertible at the holder's option any time prior to or on maturity into common shares of the Company at a conversion price of \$0.60 per common share until January 4, 2016, and thereafter \$1.00 per common share until the Maturity Date.

The Company did not meet its interest payment obligations relating to its convertible debt at February 1, 2016; the convertible debt is currently in default and has not been converted to shares.

Based on the discount factor of 35% over the loan life of 1.07 years, the equity portion was valued at \$50,248. Accreted interest for the debenture for the period ended March 31, 2016 was \$27,433 (December 31, 2014 - \$NIL).

Interest expense of the Debenture of \$16,597 (March 31, 2015 - \$7,835) was settled with issuance of common shares during the period ended December 31, 2015 (March 31, 2015).

As at March 31, 2016, the Company accrued interest payable of \$8,250 on these convertible debentures.

## **7 Share capital**

Authorized:

The Company's authorized share capital consists of an unlimited number of common shares without par value.

On February 29, 2016, the shareholders of the Company approved a common share consolidation on the basis of ten pre-consolidation common shares for one post-consolidation common share of the Company. The consolidation was made effective on March 15, 2016. All references to the number of shares and per share amounts have been retroactively restated as if the consolidation had occurred July 1, 2014.

Issuances:

### **For Period Ended March 31, 2016**

- a) On September 30, 2015, interest of \$8,295.42 due as a result of the convertible debentures was settled by way of the issuance of 23,701 common shares at \$0.35 per share.

## **7 Share capital (cont'd)**

### **For Period Ended March 31, 2016** – (cont'd)

- b) On October 29, 2015, the Company closed a private placement of 100,000 common share units at a price of \$0.50 per common share to raise gross proceeds of \$50,000. Each unit comprised of one one common share and one share purchase warrant exercisable at \$0.50 per share for a period of five years. Certain insiders participated in the private placement and the Company paid a 6% finder's fee on one subscription in the private placement.
- c) On December 31, 2015, interest of \$8,302 due as a result of the convertible debentures was settled by way of the issuance of 41,477 common shares at \$0.20 per share.

### **For Year Ended June 30, 2015**

- d) On August 14, 2014 the Company issued 250,000 units at \$0.60 per unit for gross proceeds of \$150,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at \$1.00 per share (expiring on August 14, 2016).
- e) On August 19, 2014 the Company issued 83,333 units at \$0.60 per unit for gross proceeds of \$50,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at \$1.00 per share (expire on August 19, 2016).
- f) On September 29, 2014, the Company issued 100,000 and 44,915 common shares of the Company as part of the consideration of the Sask Craton property and Sask Craton North property respectively at a deemed price of \$0.50 per share. In addition, the Company issued 100,000 share purchase warrants fair valued at \$60,285 as part of the consideration for the Sask Craton property. Each warrant entitles the holder to purchase one common share of the Company at \$2.50 per share expiring on September 29, 2017.
- g) On November 6, 2014, the Company settled \$562,115 (of which \$154,118 belongs to related parties) in accounts payable and loans payable by issuance of 1,124,234 common shares at a deemed price of \$0.50 per share. As a result of this debt settlement the Company wrote-off an aggregate of \$100,271 in accounts payable and loans payable. \$54,600 gain from settling related party payables were recorded in contributed surplus.
- h) On February 24, 2015 the Company issued 500,083 units at \$0.60 per unit for gross proceeds of \$300,050. Each unit consisted of one common share and one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at \$1.00 per share (expiring on February 24, 2016). Share issuance costs of \$18,141 were incurred.
- i) On March 12, 2015 the Company issued 99,917 units at \$0.60 per unit for gross proceeds of \$59,949. Each unit consisted of one common share and one share purchase warrant. Each whole share purchase warrant entitled the holders to purchase one additional common share at \$1.00 per share (expire on March 12, 2016). The share issuance cost of \$1,260 was recorded.

## 7 Share capital (cont'd)

### For Year Ended June 30, 2015 – (cont'd)

- j) On March 31, 2015, interest of \$7,835 due as a result of the convertible debentures was settled by way of the issuance of 12,053 common shares at \$0.65 per share.
- k) On June 10, 2015, the Company closed the first tranche of its previously announced financing for gross proceeds of \$170,200. A total of 340,400 units were issued in Tranche One consisting of both Flow-Through Units and Common Share Units. A total of 320,000 Flow Through Units were issued at a price of \$0.50 per flow-through unit, with each flow-through unit consisting of one common share and one-half of a common share purchase warrant with each whole common share purchase warrant entitling the holder to acquire one additional common share at a purchase price of \$1.00 per common share for a period of twelve months from the of closing of Tranche One. The Company is committed to spend the entire proceeds of Flow-Through Units in qualified exploration expenditures. In addition to the Flow-Through Units issue in Tranche One, a total of 20,400 Common Share Units were issued at a price of \$0.50 per common share unit, with each common share unit consisting of one common share and one common share purchase warrant to acquire one additional common share at a purchase price of \$1.00 per common share for a period of twelve months from the date of closing of Tranche One. The Company has paid finder fee for \$4,140 in Tranche One.
- l) On June 30, 2015, interest of \$8,295.42 due as a result of the convertible debentures was settled by way of the issuance of 20,739 common shares at \$0.40 per share.

Share purchase warrants:

Details of share purchase warrants activity for the nine months ended March 31, 2016 and for the year ended June 30, 2015 are as follows:

Share purchase warrants outstanding	March 31, 2016		June 30, 2015	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
	#	\$	#	\$
Outstanding – beginning of period	1,136,432	1.73	89,365	9.20
Granted	100,000	0.50	1,047,067	1.14
Expired/forfeited	(689,365)	1.99	-	-
Outstanding – end of period	547,067	1.18	1,136,432	1.73

## 7 Share capital (cont'd)

As at March 31, 2016, the Company has outstanding share purchase warrants as follows:

Expiry date	Number of warrants outstanding and exercisable	Weighted average exercise price
	#	\$
June 10, 2016	180,400	1.00
August 14, 2016	125,000	1.00
August 19, 2016	41,667	1.00
September 29, 2017	100,000	2.50
October 29, 2020	100,000	0.50
	547,067	1.18

## 8. Share based compensation

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant options to directors, officers, consultants and employees of the Company. The number of options granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of the grant of the options. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant of the options and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant of the options. The exercise price of options granted under the Plan may not be less than the discounted market price (as that term is defined in the policies of the Exchange) of the Company’s common shares at the date the options are granted. Options granted under the Plan have a maximum life of five years, are non-transferable and expire within 90 days of termination of employment or holding office as a director, officer, employee or consultant of the Company and in the case of death, expire within one year thereafter. The options generally vest on the date of grant, however, the board of directors may specify a vesting period on a grant-by-grant basis.

There were no stock options granted during the nine months ended March 31, 2016.

## 8 Share based compensation (cont'd)

Details of stock options activity for the nine months ended March 31, 2016 and for the year ended June 30, 2015 are as follows:

Stock options outstanding	March 31, 2016		June 30, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	#	\$	#	\$
Outstanding – beginning of period	116,000	0.88	15,200	10.00
Granted	-	-	115,000	0.80
Expired/forfeited	(45,000)	0.80	(14,200)	10.00
Outstanding – end of period	71,000	0.93	116,000	0.88

As at March 31, 2016, share purchase options outstanding have a weighted average remaining contractual life of 4.84 years.

On February 17, 2015, the Company granted 115,000 stock options to certain Directors, Officers and Consultants of the Company. The weighted average fair value of stock option was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 5 years, volatility of 192%, annual rate of dividends of 0.00% and risk free rate of 0.65%, such stock options having an exercise price of \$0.80 per share, a five-year term, and immediate vesting.

The following is a table discloses the number of options and vested options outstanding (weighted average exercise price \$0.93) as at March 31, 2016:

Number of options	Number of options vested	Price per share	Expiry Date
#	#	\$	
1,000	1,000	10.00	March 16, 2017
70,000	70,000	0.80	February 17, 2020
71,000	71,000		

## 9 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

On January 5, 2015, the Company issued two convertible debentures (the "Debentures") having combined issue value of \$276,514 to two different entities controlled by a former director and former officer (Ryan Kalt) and a former officer of the Company (Jody Dahrouge) respectively.

## 9 Related party transactions (cont'd)

During the nine months ended March 31, 2016 and 2015, the Company incurred the following expenses charged by a legal firm of which one of the partners is a director of the Company, key management personnel and companies controlled by key management personnel.

	March 31, 2016	March 31, 2015
Statement of Operations items	\$	\$
Consulting fees	7,500	-
Professional fees	20,000	78,949
Share based compensation	-	38,761
	27,500	117,710

Included in accounts payable and accrued liabilities at March 31, 2016 is \$111,317 (June 30, 2015: \$83,728) owed to current and former officers/directors of the Company, companies owned by former director and officer of the Company and a law firm in which a director of the Company is an associate counsel.

## 10 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

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

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year or current period.

## 11 Subsequent event

On May 2, 2016, the Company announced a proposed a non-brokered private placement of up to 10,000,000 units at a price of \$0.05 per unit for gross proceeds of \$500,000. Each unit will consist of one common share and one transferable share purchase warrant. Each warrant will entitle the holder the right to purchase one additional common share at an exercise price of \$0.10 per share for a period of five year from closing. This private placement is subject to TSX Venture Exchange approval.