

OROFINO MINERALS INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orofino Minerals Inc.

We have audited the accompanying financial statements of Orofino Minerals Inc., which comprise the statements of financial position as at June 30, 2015 and 2014, and the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Orofino Minerals Inc. as at June 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
October 28, 2015

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

Orofino Minerals Inc.

Statements of Financial Position

As at June 30, 2015 and 2014

(Expressed in Canadian dollars)

	Note	June 30, 2015	June 30, 2014
ASSETS			
Current			
Cash		\$ 338,147	\$ 74,163
Deposits	5	-	16,523
GST receivable		1,852	815
Due from related parties	9	5,098	5,098
Total current		345,097	96,599
Equipment	4	244	424
Exploration and evaluation assets	5	-	5,770
Total assets		\$ 345,341	\$ 102,793
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable	9	\$ 810	\$ 1,313
Accrued liabilities		7,500	9,000
Loan payable	7	53,442	-
Total liabilities		61,752	10,313
Shareholders' equity			
Share capital	8	1,484,862	1,084,862
Reserves	8	368,628	368,628
Deficit		(1,569,901)	(1,361,010)
Total shareholders' equity		283,589	92,480
Total liabilities and shareholders' equity		\$ 345,341	\$ 102,793

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors:

/s/ Curt Huber
Director

/s/ Eugene Beukman
Director

The accompanying notes are an integral part of these financial statements

Orofino Minerals Inc.

Statements of Loss and Comprehensive Loss

For the years ended June 30, 2015 and 2014

(Expressed in Canadian dollars)

		Year ended June 30,	
	Note	2015	2014
Expenses			
Amortization	4	\$ 180	\$ 180
Consulting fees	9	22,286	-
Foreign exchange loss		216	-
Interest	6	3,442	-
Office and miscellaneous		4,543	18,654
Professional fees	9	10,733	14,959
Rent	9	35,000	30,000
Share-based compensation	8	-	17,050
Transfer agent and filing fees		23,263	12,389
Total expenses		(99,663)	(93,232)
Other income (expenses)			
Interest income		43	-
Impairment of exploration and evaluation assets	5,6	(5,771)	(590)
Loss on abandonment of subsidiary	6	(103,500)	-
Loss and comprehensive loss for the year		\$ (208,891)	\$ (93,822)
Loss per share, basic and diluted		\$(0.06)	\$(0.03)
Weighted average number of common shares outstanding, basic and diluted		3,451,537	3,122,270

The accompanying notes are an integral part of these financial statements

Orofino Minerals Inc.

Statement of Cash Flows

For the years ended June 30, 2015 and 2014

(Expressed in Canadian dollars)

	Year ended June 30,	
	2015	2014
Cash flows used in operating activities		
Loss for the year	\$ (208,891)	\$ (93,822)
Items not affecting cash		
Accrued interest expense	3,442	-
Amortization	180	180
Share-based compensation	-	17,050
Impairment of exploration and evaluation assets	5,771	590
Loss on abandonment of subsidiary	103,500	-
Changes in non-cash working capital items		
GST receivable	(1,037)	11
Accounts payable	(503)	(2,218)
Accrued liabilities	(1,500)	-
Due to related parties	-	(9,216)
Net cash used in operating activities	(99,038)	(87,425)
Cash flows provided by investing activities		
Acquisition of British Crown & Milling S.A.	(1)	-
Advance to British Crown & Milling S.A.	(103,500)	-
Deposits on exploration and evaluation assets	16,523	(16,523)
Exploration and evaluation assets	-	(4,512)
Net cash provided by investing activities	(86,978)	(21,035)
Cash flows provided by financing activities		
Loan payable	50,000	-
Shares issued on private placement	400,000	-
Net cash provided by financing activities	450,000	-
Change in cash	263,984	(108,460)
Cash, beginning	74,163	182,623
Cash, ending	\$ 338,147	\$ 74,163

The accompanying notes are an integral part of these financial statements

Orofino Minerals Inc.

Statement of Changes in Shareholders' Equity

For the years ended June 30, 2015 and 2014

(Expressed in Canadian dollars)

	Note	Share Capital		Share-Based Payment Reserve	Warrant Reserve	Deficit	Total
		Number	Amount				
Balance at June 30, 2013		3,122,770	\$ 1,084,862	\$ 300,739	\$ 50,839	\$ (1,267,188)	\$ 169,252
Stock-based Compensation	7	-	-	17,050	-	-	17,050
Net Loss		-	-	-	-	(93,822)	(93,822)
Balance at June 30, 2014		3,122,770	1,084,862	317,789	50,839	(1,361,010)	92,480
Private Placement		8,000,000	400,000	-	-	-	400,000
Net Loss		-	-	-	-	(208,891)	(208,891)
Balance at June 30, 2015		11,122,770	\$ 1,484,862	\$ 317,789	\$ 50,839	\$ (1,569,901)	\$ 283,589

The accompanying notes are an integral part of these financial statements

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Orofino Minerals Inc. (the “Company”) was incorporated on October 9, 2008 under the laws of British Columbia. The Company’s common shares are listed on the TSX Venture Exchange under the symbol “ORO”. The Company is engaged in the acquisition and exploration of mineral resource properties.

The Company’s head office and principal address is located at 8338 – 120th Street, Surrey, British Columbia, Canada.

These audited annual financial statements have been prepared on the assumption that the Company will continue as a going concern, which assume that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2015, the Company had not advanced its property to commercial production and was not able to finance day-to-day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand.

During the year ended June 30, 2015, the Company completed a share consolidation of its share capital on the ratio of 1 new share for 3 old shares. All share and per share amounts have been adjusted to reflect this share consolidation.

These financial statements were approved and authorized for issue by the Board of Directors on October 28, 2015.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company comply 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”).

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

On November 4, 2014, the Company acquired a wholly owned subsidiary, British Crown & Milling S.A. (“British Crown”). During the year ended June 30, 2015, the Company abandoned this subsidiary, and as at June 30, 2015, the Company no longer holds an interest in British Crown. As a result, these financial statements have been prepared on a non-consolidated basis.

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, and provisions for restoration and environmental obligations.

Significant Judgments

The preparation of these financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Foreign Currency Translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Canadian dollars which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other

Orofino Minerals Inc.
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(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation (continued)

comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Loss per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares. As at June 30, 2015 and 2014, the Company's diluted loss per share was the same as the basic loss per share as the effect of the stock options and warrants were anti-dilutive.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the periods with the carrying amount and are recognized in the statement of loss and comprehensive loss. Equipment is amortized at 20% per annum, using the declining balance method.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

Orofino Minerals Inc.
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(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Expenditures (continued)

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Impairment of Assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and Environmental Obligations (continued)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

The Company currently has no measureable restoration and environmental obligations.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from and paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recorded by providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Financial Instruments

The Company classifies its financial instruments in the following categories:

- fair value through profit or loss;
- loans and receivables;

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

- held-to-maturity investments;
- available-for-sale financial assets; and
- financial liabilities.

The classification depends on the purchase for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Changes in Accounting Standards

- IAS 32 - Financial Instruments, Presentation ("IAS 32") was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At July 1, 2014, the Company adopted this standard and there was no material impact on the Company's financial statements.

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in Accounting Standards (continued)

- (ii) IAS 36 - Impairment of Assets ("IAS 36") was amended to address the disclosure required for the recoverable amount of impaired assets or cash generating unit for periods in which an impairment loss has been recognized or reversed. At July 1, 2014, the Company adopted this standard and there was no material impact on the Company's financial statements.

New accounting standards and interpretations

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective January 1, 2018. Earlier adoption is permitted. The Company is in the process of assessing the impact of this standard on its financial statements.

4. EQUIPMENT

	Office Equipment	
Cost		
At June 30, 2014 and 2015	\$	2,016
Amortization		
At June 30, 2013	\$	1,412
Charge for the year		180
At June 30, 2014		1,592
Charge for the year		180
At June 30, 2015	\$	1,772
Net Book Value		
At June 30, 2014	\$	424
At June 30, 2015	\$	244

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

		Independence and Homestead Claim
Balance, June 30, 2013	\$	1,848
Additions		4,512
Impairment		(590)
Balance, June 30, 2014		5,770
Impairment		(5,770)
Balance, June 30, 2015		-

Independence and Homestead Claim

During the year ended June 30, 2014, the balance of the Homestead claim was determined to be impaired and the Company wrote down \$590 in related acquisition costs. During the year ended June 30, 2015, the Company decided not to continue exploring the Independence claims, and the balance of the remaining claims were written down by \$5,770 to \$nil.

On May 22, 2014, the Company announced that it had entered into an assignment agreement to acquire an option for the acquisition of certain staked mineral claims in Montana, USA. On May 30, 2014, the agreement was canceled and on July 16, 2014 the Company was reimbursed the \$16,523 deposit it had made towards the acquisition.

6. ACQUISITION

On November 4, 2014, the Company completed the purchase of British Crown & Milling S.A ("British Crown"). The Company purchased 100% of the outstanding shares of British Crown for \$1, with the effect that British Crown will become a wholly owned subsidiary of the Company. The acquisition was considered an asset acquisition, and was measured at the fair value of the consideration given. British Crown is a Peruvian company holding certain mining concessions. In conjunction with the acquisition, the Company advanced British Crown \$103,500.

Subsequent to the acquisition, during the year ended June 30, 2015, the Company abandoned British Crown. As a result, the Company recognized a loss on the abandonment of the subsidiary of \$103,500, and impaired the properties acquired by \$1.

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
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7. LOAN PAYABLE

During the year ended June 30, 2015, the Company received an unsecured loan of \$50,000, payable on demand, with an interest rate of 10% per annum. As at June 30, 2015, \$50,000 plus accrued interest of \$3,442 (2014 - \$nil) was owing on this note.

8. SHARE CAPITAL

Consolidation

On April 28, 2015, the Company completed a share consolidation of its share capital on the ratio of 1 new share for 3 old shares. All share and per share amounts have been adjusted to reflect this share consolidation.

Authorized

Unlimited number of common shares without par value.

Private Placement

In June 2015, a private placement was completed for 8,000,000 units for total proceeds of \$400,000. Each unit consists of one common share and one share purchase warrants. Each warrants has a term of five years at an exercise price of \$.05 per share. Using the residual method, the Company allocated \$400,000 to common shares and \$nil to warrants.

Stock Options

The Company has adopted a stock option plan whereby the Company may grant, to directors, officers, employees and consultants, options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. All options vest immediately as per the Company's stock option plan.

On February 26, 2014, the Company issued 183,333 stock options having an exercise price of \$0.15 per common share to directors and officers exercisable until February 26, 2019. Using the Black-Sholes Option Valuation Method with the parameters indicated below, the fair value of the grant was determined to be \$17,050.

	February 26, 2014
Expected Life	5 years
Risk-Free Interest	1.63%
Volatility	113%
Dividend Yield	0%

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8. SHARE CAPITAL (continued)

Warrants

In June 2015, a private placement was completed for 8,000,000 units. Each unit consists of one common share and one share purchase warrant. Details of the warrants outstanding as at June 30, 2015 are as follows:

Exercise price	Expiry date	Number of warrants outstanding
\$0.05	June 16, 2020	8,000,000

Share-Based Payment Reserve

The share-based payment reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The Company incurred the following fees to related parties:

- a) Consulting fees of \$2,500 (2014 - \$nil) to a director;
- b) Professional fees of \$410 (2014 - \$2,745) to the Company's former Chief Financial Officer;
- c) Rent expenses of \$35,000 (2014 - \$30,000) to a company controlled by a relative of a director of the Company.
- d) Consulting fees of \$19,786 (2014 - \$nil) to a company controlled by a relative of a director of the Company.

As at June 30, 2015, \$5,098 (2014 - \$5,098) was due from companies having common management.

As at June 30, 2015, \$250 (2014 - \$nil) was owing to a company controlled by a relative of a director of the Company, and is included in accounts payable.

The amounts due to and from related parties are unsecured, non-interest bearing, and have no fixed terms of repayment.

10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Orofino Minerals Inc.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash is deposited in bank accounts held with a major bank in Canada. As all of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk as all its operations are in Canada.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share and working capital.

There was no change in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

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NOTES TO FINANCIAL STATEMENTS
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10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Classification of Financial Instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	June 30, 2015		June 30, 2014	
Loans and Receivables:				
Cash	\$	338,147	\$	74,163
Due from Related Parties		5,098		5,098
	\$	343,245	\$	79,261
Financial Liabilities:				
Accounts Payable	\$	810	\$	1,313
Loan payable		53,442		-
	\$	54,252	\$	1,313

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount.

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.

Cash is recorded at fair value using level 1 inputs.

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11. INCOME TAX

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	June 30, 2015	June 30, 2014
Net Loss	\$ (208,891)	\$ (93,822)
Statutory Tax Rate	26%	26%
Expected Income Tax Recovery	(54,000)	(24,394)
Effect of Changes in Tax Rates	-	(7,745)
Decrease in Valuation Allowance	54,000	32,139
	\$ -	\$ -

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	June 30, 2015	June 30, 2014
Non-Capital Losses Carried forward	\$ 238,000	\$ 175,374
Share Issuance Costs	-	9,701
Exploration and Evaluation Assets	34,000	32,989
Equipment	-	(64)
Unrecognized deferred tax assets	(272,000)	(218,000)
Net Deferred Tax Assets	\$ -	\$ -

As at June 30, 2015, the Company had the following non-capital losses that may be applied against future income for Canadian income tax purposes.

Expiring	Amount
2029	\$ 72,401
2030	18,401
2031	166,436
2032	159,372
2033	141,934
2034	117,398
2035	240,433
	\$ 916,375