

**Quinto Real Capital Corporation**  
**Unaudited Condensed Interim Financial Statements**  
**(in Canadian dollars)**  
**As at April 30, 2016 and 2015**

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## **NOTICE TO READERS OF CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared in accordance with IFRS and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these condensed interim financial statements.

**Interim Statements of Financial Position** *(Unaudited)*

**As at April 30 and January 31,** **2016** **2016**  
*(in Canadian dollars)*

	<b>Notes</b>	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 172,209	\$ 264,484
Sales tax recoverable	12,365	14,902
Tax credits receivable	-	23,980
Prepaid expenses	-	1,082
<b>Total assets</b>	<b>\$ 184,574</b>	<b>\$ 304,448</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 56,287	\$ 121,968
<b>Equity</b>		
Share capital	1,119,315	1,119,315
Contributed surplus	81,600	81,600
Deficit	(1,072,628)	(1,018,435)
	128,287	18,480
<b>Total liabilities and equity</b>	<b>\$ 184,574</b>	<b>\$ 304,448</b>
<i>Going concern</i>	<i>1</i>	
<i>Subsequent events</i>	<i>6</i>	

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

Interim Statements of Loss and Comprehensive Loss *(Unaudited)*

For the three-month periods ended April 30

	2016	2015
<b>Expenses</b>		
Consulting and professional fees	\$ 34,055	\$ 9,901
Regulatory expenses	9,215	7,208
Investor relations	-	7,500
Rent	5,730	7,936
Insurance	-	1,800
Office expenses	2,087	1,043
Entertainment expenses	1,711	3,350
Travel and lodging	1,225	2,961
	<u>(54,023)</u>	<u>(41,699)</u>
Gain on disposal of available-for-sale financial asset	-	12,350
Financing costs		
Interest and bank charges	(170)	(201)
	<u>(170)</u>	<u>(201)</u>
<b>Net loss and comprehensive loss</b>	<b>\$ (54,193)</b>	<b>\$ (29,550)</b>
	<u><u>(54,193)</u></u>	<u><u>(29,550)</u></u>
<b>Net loss per share basic and diluted</b>	<b>(0,004)</b>	<b>(0,003)</b>
	<u><u>(0,004)</u></u>	<u><u>(0,003)</u></u>
<b>Weighted average number of class A shares</b>	<b>11,444,930</b>	<b>11,444,930</b>
	<u><u>11,444,930</u></u>	<u><u>11,444,930</u></u>

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

Interim Statements of Changes in Equity (Unaudited)

For the three-month periods ended April 30, 2016 and 2015

(in Canadian dollars)

	Number of common shares outstanding	Share capital	Contributed surplus	Accumulated other com- prehensive income	Deficit	Total equity
<b>Balance – February 1<sup>st</sup>, 2016</b>	<b>11,499,998</b>	<b>1,119,315\$</b>	<b>81,600\$</b>	<b>- \$</b>	<b>(1,018,435)\$</b>	<b>182,480</b>
Net loss	-	-	-	-	(54,193)	(54,193)
<b>Balance – April 30, 2016</b>	<b>11,499,998</b>	<b>1,119,315\$</b>	<b>81,600\$</b>	<b>- \$</b>	<b>(1,072,628)\$</b>	<b>128,287</b>
<b>Balance – February 1<sup>st</sup>, 2015</b>	11,499,998	\$ 1,119,315	\$ 81,600	\$ 14,854	\$ (1,098,435)	\$ 117,334
Net loss	-	-	-	-	(29,550)	(29,550)
<b>Other comprehensive income</b>	-	-	-	(12,450)	-	(12,450)
<b>Comprehensive income for the year</b>	-	-	-	(12,450)	(29,550)	(42,000)
<b>Balance – April 30, 2015</b>	<b>11,499,998</b>	<b>\$ 1,119,315</b>	<b>\$ 81,600</b>	<b>\$ 2,404</b>	<b>\$ (1,127,985)</b>	<b>\$ 75,334</b>

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

**Interim Statements of Cash Flows** *(Unaudited)*

**For the three-month periods ended April 30,**

**2016**

**2015**

*(in Canadian dollars)*

**Operating activities**

Net loss	\$ (54,193)	\$ (29,550)
Adjustment for:		
Gain on disposal of available-for-sale financial asset	-	(12,350)
Changes in non-cash working capital items		
Sales tax recoverable	2,537	(3,762)
Other receivables	-	8,500
Prepaid expenses	1,082	1,800
Accounts payable and accrued liabilities	<u>(65,681)</u>	<u>9,022</u>

**Cash flows used in operating activities**

(116,255)      (26,340)

**Investing activities**

Disposal of available-for-sale financial assets	-	11,900
Tax credits receivable	<u>23,980</u>	<u>-</u>

**Cash flows used in investing activities**

23,980      11,900

**Decrease in cash and cash equivalents**

(92,275)      (14,440)

Cash and cash equivalents – beginning of period

264,484      27,350

**Cash and cash equivalents – end of period**

\$ 172,209      \$ 12,910

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

**Notes to the Condensed Interim Financial Statements** *(Unaudited)***For the three-month periods ended April 30, 2016 and 2015***(in Canadian dollars)*

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**1. Incorporation, nature of operations and going concern**

The Corporation was incorporated under the *Canada Business Corporation Act* on January 20, 2010 and is classified as a Capital Pool Corporation as defined in policy 2.4 (the “CPC Policy”) of the TSX Venture Exchange Inc. (the “Exchange”). The Corporation’s common shares are listed for trading on the TSX Venture Exchange. The head office of the Corporation is located at 3030 Le Carrefour Blvd, Suite 1002, Laval, Québec, Canada, H7T 2P5.

The shares of the Corporation are traded on the TSX Venture Exchange under the symbol “QIT”.

On December 28, 2012, the Corporation completed its Qualifying Transaction by acquiring an option to acquire a 50% interest in a mining property. The property consists of a total of 114 claims located in the Chibougamau region of Quebec. Following the Qualifying Transaction, the Corporation now specializes in the acquisition, exploration and evaluation of mineral properties.

The Corporation has not yet determined whether the mining property contains economically recoverable ore reserves. The recoverability of the amounts shown for mining properties depends upon the existence of economically recoverable ore reserves, the ability of the Corporation to obtain necessary financing to continue exploration work and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The accompanying unaudited condensed interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt on the Corporation’s ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These unaudited condensed interim financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

For the three-period ended April 30, 2016, the Corporation recorded a net loss of \$54,193 and accumulated a deficit of \$1,072.628 as at April 30, 2016. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its existing commitments for exploration and development programs and pay general and administrative costs. As at April 30, 2016, the Corporation had a working capital of \$128,287 including cash and cash equivalents of \$172,209. Management estimates that these funds will not be sufficient to meet the Corporation’s obligations and budgeted expenditures through April 30, 2017. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the introduction of joint venture partners and/or business combinations. While Management has been successful in seeking funding in the past, there can be no assurance it will be able to do so in the future. Furthermore, there is no assurance that such funding or initiatives will be available to the Corporation or that it will be available on terms acceptable to the Corporation. Without new funding being available, the Corporation may be unable to continue its operations, and amounts realized for its assets may be less than amounts recorded in these financial statements.

**Notes to the Condensed Interim Financial Statements** *(Unaudited)***For the three-month periods ended April 30, 2016 and 2015***(in Canadian dollars)*

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Although management has taken steps to verify the title to the mining property in which it has an interest, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, the reported revenues and expenses and the statement of financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation's year end is January 31, 2016. These unaudited condensed financial statements were approved for issue by the Board of Directors on June 23, 2016.

**2. Basis of preparation of financial statement**

These unaudited condensed interim 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 interim financial statements, including IAS 34, Interim Financial Reporting. The financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended January 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of previous financial year, except as described below.

**3. Financial Instrument – Fair Value**

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities: – none;
- Level two includes inputs that are observable other than quoted prices include in level one: – none;
- Level three includes inputs that are based on observable market data: – none.

Fair value estimates are made as at the date of the statement of financial position, based on relevant market information and other information about financial instruments.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three-month periods ended April 30, 2016 and 2015

(in Canadian dollars)

3. Financial Instrument – Fair Value (cont'd)

The Company's financial instruments as at April 30, 2016, consist of cash, accounts payable and accrued charges. The fair value of these financial instruments is disclosed below, and approximates their carrying value due to their short maturity and current market rates.

*Fair value*

Fair value of financial instruments is presented as follow:

	<b>April 30, 2016</b>		January 31, 2016	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
<b>Financial assets</b>				
Loans and receivables				
Cash	\$ 172 209	\$ 172 209	\$ 264 484	\$ 264 484
<b>Financial liabilities, at amortized cost</b>				
Accounts payable and accrued liabilities	\$ 56 287	\$ 56 287	\$ 121 968	\$ 121 968

4. Exploration and evaluation asset

	<u>January 31, 2016</u>	<u>Additions</u>	<u>Tax Credits</u>	<u>April 30, 2016</u>
<i>Mining properties</i>				
Monster Lake, interest 10 %	\$ 78,796	\$ -	\$ -	\$ 78,796
Schreiber-Hemlo, interest 100 %	1,325	-	-	1,325
Helmo North, interest 100 %	4,100	-	-	4,100
	<u>\$ 84,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,221</u>

**Notes to the Condensed Interim Financial Statements** *(Unaudited)***For the three-month periods ended April 30, 2016 and 2015***(in Canadian dollars)*

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**4. Exploration and evaluation asset (cont'd)****(1) Monster Lake**

The Monster Lake property consists of a total of 114 claims located in the Chibougamau region of Quebec.

The Corporation has agreed to a 50% option on the property (the "Initial Option") payable: (i) with the issuance, subject to regulatory approval, of 1,000,000 common shares at a price of \$0.15 each; (ii) payment in cash (over three years) of \$350,000 and (iii) the commitment to carry out exploration work on the property amounting to \$6,000 000 (over a period of four years). The Corporation will also be entitled, upon the exercise of the initial option to acquire an additional option of 20% of the property no later than on the seventh anniversary of the closing of the transaction having incurred additional expenses totalling \$4,000,000 or by financing a feasibility study on the property. Each additional million dollar expense will increase the Corporation's interest by five percent (5%) up to a maximum of twenty percent (20%).

On September 23, 2013, TomaGold Corporation and Quinto Real Corporation have agreed to amend their option agreement dated November 26, 2012 (the "Option Agreement") for the Monster Lake property.

Pursuant to the Agreement, TomaGold transfers and sells to Quinto an undivided interest of 10% in the Property in exchange for the retrocession by Quinto of all its rights in the Option Agreement and its renunciation to all its rights and privileges provided in the Option Agreement. Accordingly, subject to adjustments provided in the Agreement, TomaGold will henceforth hold an undivided interest of 90% in the Property and will be the sole operator of the project.

Moreover, Quinto is discharged from a debt of \$500,000 and of the obligation to refund. Quinto obtained releases from the holders of the debentures issued on February 2013. TomaGold undertakes to take charge of the debentures of Quinto and to indemnify Quinto starting from the closing of the transaction.

On November 12, 2013, Corporation TomaGold signed an option agreement with IAMGOLD in which IAMGOLD may earn a 50% interest in each of the Monster Lake, Winchester and Lac à l'eau jaune properties for a total of \$17.575 million, including \$16 million in exploration work and \$1.575 million in payments over five years.

IAMGOLD will act as the project operator with the support of TomaGold personnel during the acquisition period of its 50% interest. Once IAMGOLD will have acquired its 50% interest, the interests of TomaGold and Quinto will be diluted proportionately such that TomaGold and Quinto will hold interests of 45% and 5%, respectively, in the Monster Lake property.

On November 2, 2015 the Company announced the agreement reached between IAMGOLD Corporation and TomaGold Corporation. Under the terms of the new agreement, IAMGOLD will acquire a 50% interest in the Monster Lake project, which comprises the Monster Lake, Winchester and Lac-à-l'Eau-Jaune properties, in exchange for a \$3.22 million cash payment to TomaGold, of which \$322,000 was paid to Quinto Real at the closing of the transaction.

**Notes to the Condensed Interim Financial Statements (Unaudited)****For the three-month periods ended April 30, 2016 and 2015***(in Canadian dollars)*

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**4. Exploration and evaluation asset (cont'd)****(1) Monster Lake (cont'd)**

IAMGOLD will also have an option to acquire an additional 25% interest by spending \$10 million in exploration work over a 7-year period, with a minimum of \$500,000 to be spent each year. The effective starting date for the exploration work commitment will be January 1<sup>st</sup>, 2015.

Upon IAMGOLD earning a 75% interest in the Monster Lake project, TomaGold and Quinto Real will have the option to fund their pro-rata share of exploration expenditures to keep its interest in the project, subject to a dilution clause if the Company is unable to fund its share of exploration expenditures. If TomaGold and Quinto Real are diluted to a 10% interest in the project, their ownership interest will be converted to a 1.5% NSR with a buyback provision. IAMGOLD would then have the possibility to buy back a 0.75% NSR for \$2 million and the payment for the remaining 0.75% NSR would be capped at \$8 million.

**(2) Schreiber-Hemlo**

On April 8, 2014, the Corporation has acquire a 100% interest in three gold and base metal properties in the Schreiber-Hemlo camp in consideration of \$4,000 and 250,000 class A common shares of the Corporation. The properties Sawmill Lake, Sawmill Lake Perimeter and Little Steel Lake comprise a total of 20 claims or 169 units located in the historic Thunder Bay Mining District in Northwestern Ontario, just 20km east of Terrace Bay. The properties are subject to a 2% NSR on smeltable minerals or metals extracted from the properties, payable in cash or in kind to the sellers. The Corporation will have the 20km east of Terrace Bay. The properties are subject to a 2% NSR on smeltable minerals or metals extracted from the properties, payable in cash or in kind to the sellers. The Corporation will have the 20km east of Terrace Bay. The properties are subject to a 2% NSR on smeltable minerals or metals extracted from the properties, payable in cash or in kind to the sellers. The Corporation will have the right to purchase half of the 2% NSR at any time for a cash payment of \$1,000,000 to the sellers.

Following the non-renewal of almost the majority of these properties claims, management wrote off the amounts recognized for these.

**3) Hemlo North**

On July 3, 2014, the Corporation has acquired a 100% interest in three gold and base metal properties in the Hemlo North camp in consideration of 400,000 class A common shares of the Corporation. The properties Hemlo North, Valley Lake and Valley Lake North comprise a total of 16 claims or 162 units located in the historic Thunder Bay Mining District in Northwestern Ontario, just 20km east of Terrace Bay. The properties are subject to a 2% NSR on smeltable minerals or metals extracted from the properties, payable in cash or in kind to the sellers. The Corporation will have the right to purchase half of the 2% NSR at any time for a cash payment of \$1,000,000 to the sellers.

Following the non-renewal of almost the majority of these properties claims, management wrote off the amounts recognized for these.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three-month periods ended April 30, 2016 and 2015

(in Canadian dollars)

5. Related party transactions

	<u>2016</u>	<u>2015</u>
Corporations held by directors and officers		
Consulting fees	\$ <u>30,000</u>	\$ <u>7,000</u>

6. Subsequent events

On May 18, 2016, the Corporation signed an option agreement with Alexandria Minerals Corporation to acquire a 75 % undivided interest in the Chibougamau projects which include Gwillim, Fancamp and Embry properties. The Corporation will be the operator of the projects.

As per the terms of the agreement, in order to acquire a 65% interest, the Corporation will have to:

- 1) issue 1,000,000 common shares of its share capital at signing of the agreement and 500,000 additional common shares of its share capital on or prior to May 18, 2018; and
- 2) incur exploration expenditures in the amount of \$5,000,000 on the Properties over a period of 5 years as follows:
  - 300,000 during the first year following the effective date of the agreement;
  - an additional amount of \$700,000 two years after the effective date;
  - an additional amount of \$1,000,000 three years after the effective date;
  - an additional amount of \$1,500,000 four years after the effective date;
  - an additional amount of \$1,500,000 five years after the effective date.

On or before seven years after the effective date, Quinto will have the option of earning an additional 10% undivided interest in the Properties by delivering to Alexandria a NI 43-101 compliant prefeasibility mineral resource estimate that delineates a minimum of 1,000,000 ounces of gold on the Properties.

Following Quinto’s 75% earn-in, the relationship will switch to a joint venture, where both parties will contribute to a pro-rata share of operating costs.

On June 9, 2016, the Corporation announced the closing of a non-brokered private placement with accredited investors as well as with an officer of Quinto pursuant to which the Corporation issued 5,950,000 units (the “Units”) at a price of \$0.05 per Unit, for total gross proceeds to the Corporation of \$297,500. Each Unit consists of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional Common Share of the Corporation at a price of \$0.08 for 18 months from the closing date of the private placement.

Securities issued under the private placement will be subject to a four month hold period expiring on October 10, 2016.