# 88 CAPITAL CORP.

## CONDENSED INTERIM FINANCIAL STATEMENTS
## AS AT
## September 30, 2015 and September 30, 2014

**Notice of No Auditor Review of 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 condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The management of 88 Capital Corp. is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statement have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. These unaudited condensed interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

"Elston Johnston"

Elston Johnston
Chief Executive Officer

"Anthony Jackson"

Anthony Jackson
Chief Financial Officer

**88 CAPITAL CORP.**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

**(Expressed in Canadian dollars)**

| | September 30, 2015 (Unaudited) | March 31, 2015 (Audited) |
|---|---|---|
| ASSETS | | |
| CURRENT | | |
| Cash | $ 95,827 | $ 242,662 |
| Amounts receivable | - | 15,512 |
| Deposit and prepaid expense | 6,500 | 23,825 |
| | 102,327 | 281,999 |
| Exploration and evaluation assets (Note 6) | 108,200 | - |
| | 210,527 | 281,999 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | $ 30,862 | $ 40,821 |
| Loans (Note 7) | 39,345 | 66,145 |
| | 70,207 | 106,966 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 9) | 1,266,264 | 1,209,064 |
| Contributed surplus | 285,946 | 259,946 |
| Deficit | (1,411,890) | (1,293,977) |
| | 140,320 | 175,033 |
| | $ 210,527 | $ 281,999 |

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 13)

Approved on behalf of the Board:

"Signed"
Elston Johnston, Director

"Signed"
Anthony Jackson, Director

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

**88 CAPITAL CORP.**

**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

**(Expressed in Canadian dollars)**

| | For the 3-months ended September 30, 2015 | For the 3-months ended September 30, 2014 | For the 6-months ended September 30, 2015 | For the 6-months ended September 30, 2014 |
|---|---|---|---|---|
| Expenses | | | | |
| Bank charges | $ 71 | $ 98 | $ 170 | $ 98 |
| Consulting | 15,000 | (7,066) | 17,500 | 37,748 |
| Management fees | 7,875 | (43,587) | 65,000 | 92,308 |
| Office and administration | 802 | 5,852 | 19,324 | 6,102 |
| Professional fees (Note 8) | 11,678 | 13,122 | 11,678 | 20,622 |
| Travel | - | 12,566 | - | 16,803 |
| Transfer agent and filing fees | 3,222 | 4,331 | 4,241 | 9,521 |
| NET GAIN (LOSS) AND COMPREHENSIVE GAIN (LOSS) | (38,648) | 14,684 | (117,913) | (183,202) |
| EARNINGS (LOSS) PER SHARE, basic and diluted | $ (0.00) | $ 0.00 | $ (0.01) | $ (0.02) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | 13,108,855 | 11,462,188 | 12,581,236 | 8,714,935 |

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

**88 CAPITAL CORP.**

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

**(Expressed in Canadian dollars)**

| | For the 3-months ended September 30, 2015 | For the 3-months ended September 30, 2014 | For the 6-months ended September 30, 2015 | For the 6-months ended September 30, 2014 |
|---|---|---|---|---|
| OPERATING ACTIVITIES | | | | |
| Net income (loss) for the period | $ (38,648) | $ 14,684 | $ (117,913) | $ (183,202) |
| Changes in non-cash working capital items: | | | | |
| Amounts receivable | - | (51,786) | 15,512 | (61,680) |
| Deposit and prepaid expense | - | - | 17,325 | - |
| Accounts payable and accrued liabilities | (28,306) | 3,754 | (9,959) | 3,754 |
| Cash used in operating activities | (66,954) | (33,348) | (95,035) | (241,128) |
| INVESTING ACTIVITIES | | | | |
| Acquisition of mineral property | (20,000) | - | (25,000) | - |
| Cash used in investing activities | (20,000) | - | (25,000) | - |
| FINANCING ACTIVITIES | | | | |
| Loans | - | 66,145 | (26,800) | 66,145 |
| Shares issued for cash | - | - | - | 600,000 |
| Share issuance costs | - | - | - | (54,020) |
| Cash from (used in) financing activities | | 66,145 | (26,800) | 612,125 |
| CHANGE IN CASH DURING THE PERIOD | (86,954) | 32,797 | (146,835) | 370,997 |
| CASH, BEGINNING OF PERIOD | 182,781 | 418,353 | 242,662 | 80,153 |
| CASH, END OF PERIOD | $ 95,827 | $ 451,150 | $ 95,827 | $ 451,150 |
| SUPPLEMENTAL INFORMATION | | | | |
| Interest paid | $ - | $ - | $ - | $ - |
| Income taxes paid | - | - | - | - |
| NON-CASH TRANSACTION | | | | |
| Shares issued for mineral property acquisition | $ - | $ - | $ 83,200 | $ - |

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

**88 CAPITAL CORP.**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

For the 6 months ended September 30, 2015 and September 30, 2014

**(Expressed in Canadian dollars)**

| | Number of Shares | | Share Capital | | Contributed Surplus | | Deficit | | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balance, March 31, 2014 | 1,462,188 | $ | 832,184 | $ | 88,350 | $ | (850,377) | $ | 70,157 |
| Shares issued for cash | 10,000,000 | | 600,000 | | - | | - | | 600,000 |
| Share issue costs | - | | (134,631) | | 80,611 | | - | | (54,020) |
| Comprehensive loss for the period | - | | - | | - | | (183,202) | | (183,202) |
| Balance, September 30, 2014 | 11,462,188 | $ | 1,297,553 | $ | 168,961 | $ | (1,033,579) | $ | 432,935 |
| Balance, March 31, 2015 | 11,462,188 | | 1,209,064 | | 259,946 | | (1,293,977) | | 175,033 |
| Shares issued for mineral property | 2,080,000 | | 83,200 | | - | | - | | 83,200 |
| Shares cancelled | (433,333) | | (26,000) | | 26,000 | | - | | - |
| Comprehensive loss for the period | - | | - | | - | | (117,913) | | (117,913) |
| Balance, September 30, 2015 | 13,108,855 | $ | 1,266,264 | $ | 285,946 | $ | (1,411,890) | $ | 140,320 |

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

88 Capital Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on January 27, 2011. On April 23, 2012, the Company completed a mineral property option transaction as its Qualifying Transaction and became a Tier 2 issuer listed on the TSX Venture Exchange ("TSXV") with shares trading under the symbol "EEC". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

The head office, principal address, registered address, and records office of the Company are located at 1199 W. Hastings Street, Suite 800, Vancouver, British Columbia, V6E 3T5.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and are in compliance with IAS 34, interim reporting.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on November 26, 2015.

3. BASIS OF MEASUREMENT

The condensed interim financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets. The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment 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 4.

The accounting policies set out in Note 4 have been applied consistently by the Company to all periods presented.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Exploration and evaluation expenditures

All direct costs relating to the exploration and evaluation of the mineral interests including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets. General exploration costs are not related to specific mineral properties are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Exploration and Evaluation Assets (continued)

i. Exploration and evaluation expenditures (continued)

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

ii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Restoration, Rehabilitation, and Environmental Obligations (continued)

to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at September 30, 2015.

c) Cash

Cash in the statement of financial position is comprised of cash held at major financial institutions and short term investments which are readily convertible into a known amount of cash. The Company's cash is invested in business accounts which are available on demand by the Company.

d) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

f) Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Financial Instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale and;
- Loans and receivables

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

*Financial assets at fair value through profit or loss (“FVTPL”)*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if:

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company classifies its cash as FVTPL assets.

*Held-to-maturity (“HTM”)*

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

*Available-for-sale financial assets ("AFS")*

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as FVTPL.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any assets classified as AFS.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company does not have any assets classified as loans and receivables.

*Derecognition of financial assets*

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expires; or

- If the Company transfers the financial assets and substantially all risks and rewards of ownership to another entity.

*Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.
Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;

- Default or delinquency in interest or principal payments; or

- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

*Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

*Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and loans as other financial liabilities.

*Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

h) Critical Accounting Estimates and Judgements

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

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Critical Accounting Estimates and Judgements (continued)

Information about critical accounting 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 are discussed below:

*Judgements*

*Exploration and evaluation expenditures*

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, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

*Title to mineral property interests*

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

*Going concern*

Assessment of the Company's ability to continue as a going concern requires estimates of future cash flows and includes the consideration of other factors, the outcomes of which are uncertain.

*Estimates*

*Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. 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 grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

*Deferred taxes*

The Company recognizes the deferred tax benefit related to deferred tax assets to the amount that is probable to be realized. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profits. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

5. NEW ACCOUNTING PRONNOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning after April 1, 2014, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

*Accounting standards adopted and effective April 1, 2014*

As of April 1, 2014, the company adopted several new IFRS standards and amendments in accordance with the transitional provisions of each standard. The adoption of these standards did not have a significant impact on the financial statements of the Company:

i. Amendments to IAS 32 – Financial instruments, presentation
ii. Amendments to IAS 36 – Impairment of assets
iii. IFRIC 21 – Levies, Future changes in accounting standards

*New accounting standards issued but not yet effective*

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after April 1, 2015, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

*New accounting standards effective April 1, 2016*

IAS 16 – Property, plant and equipment
In May 2014, the IASB amended IAS 16, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for property, plant and equipment that is based on revenue that is generated by an activity that includes the use of an asset is not allowed. The Company is evaluating the effect, if any, the amendment to IAS 16 will have on the Company's financial statements.

IAS 38 – Intangible assets
In May 2014, the IASB amended IAS 38, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for intangible assets that is based on revenue that is generated by an activity that includes the use of an intangible asset is not allowed. Exceptions are allowed where the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The Company is evaluating the effect, if any, the amendment to IAS 38 will have on the Company's financial statements.

5. NEW ACCOUNTING PRONNOUNCEMENTS (continued)

*New accounting standards issued but not yet effective (continued)*

*New accounting standards effective April 1, 2018*

IFRS 9 – Financial instruments, classification and measurement
IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

The Company has not yet begun the process of assessing the impact that this new standard will have on its financial statements or whether to early adopt the standard.

6. EXPLORATION AND EVALUATION ASSETS

Columbia Queen Property, British Columbia

On December 3, 2014 the Company entered into an assignment and assumption agreement (the “Agreement”) with Donnybrook Capital Corp. (the “Assignor”) and the original optionors (the “Optionors”) to obtain an option to acquire a 100% undivided interest in the Columbia Queen Property, subject to a 2.0% NSR. The Company is required to issue 2,080,000 common shares to the Assignor within ten days of TSXV approval of the Agreement and a further 1,000,000 common shares within one year of the TSXV approval of the Agreement. In order to exercise the option, the Company is required to pay $160,000 cash over a four-year period, incur at least $2,600,000 in exploration expenditures over a four-year period with at least $150,000 to be incurred within the first 18 months, and issue 600,000 common shares common shares over a four year period. On June 2, 2015, the TSXV approved the Agreement and the Company has issued 2,080,000 common shares and paid $5,000 cash to the Assignor.

**(Expressed in Canadian dollars)**

7. LOANS

During the year-ended March 31, 2015, the Company received advances from a shareholder of the Company. There were no specific terms of interest or repayment on these advances.

During the period ended September 30, 2015, the Company repaid $26,800 of these loans.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors for management and professional services as follows:

| | 2015 | 2014 |
|---|---|---|
| Management fees paid to a director of the Company | $ 65,000 | $ - |
| Accounting fees paid to former director of the Company | - | 7,500 |
| | $ 65,000 | $ 7,500 |

Key Management Compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel included $65,000 (September 30, 2014 – $Nil) in management fees as noted above.

9. SHARE CAPITAL

a) Share capital

Authorized: Unlimited common shares without par value

Issued and outstanding: As at September 30, 2015, the issued share capital comprised of 13,108,855 common shares.

Share consolidation

On June 16, 2015, the Company cancelled 433,333 common shares. These shares were issued erroneously and were returned to the Company.

On June 2, 2015, the Company received TSXV approval for the acquisition of the Columbia Queen Property. In accordance to the assignment and assumption agreement (Note 6), the Company issued 2,080,000 common shares and paid $5,000 in cash.

On July 4, 2014, the Company completed the consolidation all of the issued and outstanding common shares on the basis of one new common share for every eight existing common shares. The consolidation has reduced the number of common shares issued and outstanding from 11,697,500 pre-consolidated common shares to 1,462,188 post-consolidated common shares. All share amounts presented in these financial statements have been retroactively restated.

**(Expressed in Canadian dollars)**

9. SHARE CAPITAL (continued)

a) Share capital (continued)

Share consolidation (continued)

On May 21, 2014, the Company completed a private placement of 10,000,000 units at $0.06 per unit for gross proceeds of $600,000, of which $57,000 have been recorded as subscriptions receivable. Each unit consisted of one common share and one transferable common share purchase warrant. Each share purchase warrant allows the holder to purchase one common share of the Company at a price of $0.08 per share for a period of five years. In connection with the private placement, the Company paid cash finders' fees of $54,020, legal fees of $4,100, and issued 900,333 share purchase warrants exercisable for a period of five years at a price of $0.08 for the purchase of one commons share per warrant (see Note 9(d)).

b) Escrow shares

A total of 37,500 common shares (2014 - 112,500) are held in escrow subject to release only with regulatory approval.

c) Stock options

The company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to 5 years from the date of grant, and must comply with the rules of the Exchange.

During the year ended March 31, 2015, the Company granted 1,060,000 incentive stock options to officers, directors and consultants in accordance with the policies of the exchange. The stock options are exercisable at a price of $0.06 per share and expire 10 years from the date of grant.

The fair value of the stock options was estimated to be $63,596. The fair value of the stock options was determined using the Black-Scholes pricing model and the following assumptions: share price of $0.06, estimated volatility of 299%, expected life of 5 years, expected forfeiture rate of 0%, and risk free interest rate of 2.38%. The estimated volatility used in valuating options is based on volatility observed in historical periods. The weighted average fair value per option at the grant date was $0.06.

As at September 30, 2015, the Company had options outstanding enabling holders to acquire the following:

| | Options Outstanding | | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life (years) |
|---|---|---|---|---|
| Balance, March 31, 2014 | 84,375 | $ | 0.80 | 1.20 |
| Options granted | 1,060,000 | | 0.06 | 8.66 |
| Outstanding and exercisable, March 31, 2015 & September 30, 2015 | 1,144,375 | $ | 0.12 | 8.11 |

**(Expressed in Canadian dollars)**

9. SHARE CAPITAL (continued)

c) Stock options

Details of stock options outstanding at September 30, 2015 are as follows:

| Number of Stock Options | | Exercise Price | Remaining Contractual Life (years) | Expiry Date |
|---|---|---|---|---|
| 28,125 | $ | 0.80 | 0.50 | March 31, 2016 |
| 56,250 | | 0.84 | 1.55 | April 19, 2017 |
| 1,060,000 | | 0.06 | 8.66 | June 4, 2024 |
| 1,144,375 | $ | 0.12 | 8.11 | |

d) Warrants

A summary of the status of the Company's outstanding and exercisable warrants as at September 30, 2015 and the changes during the period then ended are as follows:

| | Warrants Outstanding | | Weighted Average Exercise Price | Weighted Average Remaining Years |
|---|---|---|---|---|
| Balance, March 31, 2014 | 923,438 | $ | 1.24 | 1.55 |
| Warrants granted | 10,900,333 | | 0.08 | 3.63 |
| Balance, March 31, 2015 & September 30, 2015 | 11,823,771 | $ | 0.17 | 3.47 |

On May 21, 2014, the Company issued 10,000,000 share purchase warrants in connection with the private placement units described above exercisable for the purchase of one common share at $0.08 per common share for a period of five years. No value was allocated to the warrants issued with private placement units.

On May 21, 2014, the Company issued 900,333 share purchase warrants as finders' fees in connection with the private placement completed then exercisable for the purchase of one common share at $0.08 per common share for a period of five years.

The fair value of the warrants was estimated to be $108,000. The fair value of the warrants was determined using the Black-Scholes pricing model and the following assumptions: share price of $0.12, estimated volatility of 298%, expected life of 5 years, expected forfeiture rate of 0%, and risk free interest rate of 1.61%. The estimated volatility used in valuating warrants is based on volatility observed in historical periods. The weighted average fair value per warrant at the grant date was $0.12.

10. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the periods ended September 30, 2015 and September 30, 2014 was based on the loss attributable to common shareholders of $117,913 (September 30, 2014 – $183,202) and the weighted average number of common shares outstanding of 12,581,236 (September 30, 2014 – 8,714,935).

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2015, the Company considers capital to be all components of shareholders' equity. 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 capital structure, the Company will continue to rely on capital markets to support continued growth.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions.

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 manages liquidity risk through the management of its capital structure and financial leverage as described in Note 11.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

| | **<1 year** | **1 – 3 Years** | **Total** |
|---|---|---|---|
| Accounts payable | $ 30,862 | - | $ 30,862 |
| Loans | $ 39,345 | - | $ 39,345 |

Foreign Exchange Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company currently does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Commodity Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Fair Value Measurements

The Company's financial instruments consist of cash, deposits, loans payable, and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at September 30, 2015:

| | |
|---|---|
| FVTPL (i) | $ 95,827 |
| Loans (ii) | $ 39,345 |
| Other financial liabilities (iii) | $ 30,862 |

(i) Cash
(ii) Loans payable
(iii) Accounts payable

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 fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at September 30, 2015, the Company believes that the carrying values of accounts payable approximate its fair value because of their nature and relatively short maturity dates or durations.

13. SUBSEQUENT EVENTS

No subsequent events.