Abcana Capital Inc.

(A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

Three Months Ended March 31, 2016

Expressed in Canadian Dollars

Notice of No Auditor Review of
Interim Financial Statements

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these 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.

Abcana Capital Inc.
(A Capital Pool Company)
Statements of Financial Position
As of March 31, 2016 and December 31, 2015
Expressed in Canadian Dollars

	March 31, 2016	December 31, 2015
ASSETS		
Current Assets		
Cash	$ 148,678	$ -
Amounts receivable and deposits	10,024	9,903
	158,702	9,903
Equipment Note 4)	2,044	2,311
TOTAL ASSETS	**$ 160,746**	**$ 12,214**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	$ 61,084	$ 57,157
Bank indebtedness	-	498
Total liabilities	61,084	57,655
Shareholders' Equity (Deficit)		
Capital stock (Note 6)	318,323	318,323
Share subscriptions received (Note 6)	149,250	-
Contributed surplus (Note 6)	57,480	57,480
Deficit	(425,391)	(421,244)
Total Shareholders' Equity (Deficit)	99,662	(45,441)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	**$ 160,746**	**$ 12,214**

Approved on behalf of the Board:

Robert Hall, Director

Anke Woodworth, Director

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

Abcana Capital Inc.
(A Capital Pool Company)
Statements of Loss and Comprehensive Loss
For the three months ended March 31,
Expressed in Canadian Dollars

	2016	2015
Expenses		
Professional fees	$ 1,256	$ 930
Transfer agent and filing fees	2,417	2,583
Administration	207	3,491
Amortization	267	89
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 4,147**	**$ 7,093**
Loss per share - basic and diluted	**$ 0.00**	**$ 0.00**
Weighted average number of common shares outstanding	**3,000,000**	**3,000,000**

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

Abcana Capital Inc.
(A Capital Pool Company)
Statements of Changes in Shareholders' Equity (Deficit)
For the three months ended March 31, 2016
Expressed in Canadian Dollars

	Capital Stock		Share Subscriptions	Contributed		
	Number	Amount	Received	Surplus	Deficit	Total
Balance at December 31, 2014	**4,000,000**	**318,323**	**-**	**57,480**	**(373,210)**	**2,593**
Net loss for the period	-	-	-	-	(7,093)	(7,093)
Balance at March 31, 2015	**4,000,000**	**318,323**	**-**	**57,480**	**(380,303)**	**(4,500)**
Net loss for the period	-	-	-	-	(40,941)	(40,941)
Balance at December 31, 2015	**4,000,000**	**$ 318,323**	**$ -**	**$ 57,480**	**$ (421,244)**	**$ (45,441)**
Share subsciptions			**$ 149,250**			149,250
Net loss for the period	-	-	-	-	(4,147)	(4,147)
Balance at December 31, 2016	**4,000,000**	**$ 318,323**	**$ 149,250**	**$ 57,480**	**$ (425,391)**	**$ 99,662**

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

Abcana Capital Inc.
(A Capital Pool Company)
Statements of Cash Flows
For the three months ended March 31,
Expressed in Canadian Dollars

		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(4,147)	$	(7,093)
Add back non-cash items				
Depreciation		267	$	89
Changes in non-cash working capital items				
Other receivables		(121)		(173)
Accounts payable and accrued liabilities		3,927		(1,437)
Total cash outflows from operating activities		(74)		(8,614)
CASH FLOWS FROM FINANCING ACTIVITY				
Share subscriptions received		149,250		-
Total cash inflows from financing activities		149,250		-
CASH FLOWS USED IN INVESTING ACTIVITIES				
Purchase of computers		-		(3,200)
Total decrease in cash during the period		149,176		(11,814)
Cash, beginning of period		(498)		20,356
Cash, end of period	**$**	**148,678**	**$**	**8,542**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Abcana Capital Inc. (the "Company" or "Abcana") was incorporated under the *Business Corporations Act* (British Columbia) on April 19, 2010 and is a capital pool company ("CPC") as defined in TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed and called for trading on the TSX-V on November 10, 2011. On March 19, 2014, the Company transferred to the NEX board. The Company's purpose is to identify and evaluate companies, businesses, properties or assets for acquisition and, once identified and evaluated, to negotiate an acquisition or participation (the "Qualifying Transaction"). Additional funding may be required.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue in existence or complete its Qualifying Transaction within the required period.

On July 10, 2014, the Company entered into a business combination agreement (the "Agreement") with Casa Minerals Inc. ("Casa") whereby the Company agreed to acquire all of the issued and outstanding shares of Casa (the "Transaction").

Under the terms of the Agreement, the Company will issue a total of 11,695,301 common shares of the Company to the shareholders of Casa. Each shareholder of Casa will receive approximately one common share of the Company in exchange for each common share of Casa. The Transaction, if completed, will be structured as a three-cornered amalgamation whereby Casa will amalgamate with a subsidiary of the Company (the "Amalgamation").

After completing the Transaction, the Company plans to change its name to "Casa Minerals Inc." and the common shares of the Company will be listed on the TSX-V under a new trading symbol. On December 8, 2014, the shareholders of Casa approved the Qualifying Transaction. The closing of the Transaction is subject to the completion of a financing, certain conditions being satisfied by both parties and approval by the TSX-V.

The head office, principal address, and registered and records office of the Company are located at 310 – 675 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1N7.

The condensed interim financial statements of the Company were authorized for issue by the Board of Directors on May 27, 2016.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied in these interim financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended December 31, 2015.

(b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

The financial statements are presented in Canadian dollars, which is the Company's functional currency, unless otherwise indicated.

(c) Going Concern and Continuance of Operations

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue operations as intended is dependent upon its ability to identify, evaluate and negotiate an acquisition of, participation in or interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means to finance the Qualifying Transaction and maintain overhead expenditures. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for losses in value that are considered other-than-temporary.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial Instruments (Continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through net loss.

Impairment of Financial Assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(b) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or in other comprehensive income (loss).

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

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

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

(c) Capital Stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share options are classified as equity instruments.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(d) Unit Offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options and warrants. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options and warrants. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(f) Share-based Payments

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments, to directors, employees and service providers. For directors and employees, the fair value of the options is measured at grant date using the Black-Scholes option pricing model and is recognized over the period that the options are earned. For service providers, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable using the Black-Scholes option pricing method. The fair value is recognized as an expense with a corresponding increase in equity. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

Upon the exercise of the stock option, consideration received and the related amount transferred from contributed surplus are recorded as capital stock.

(g) Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the determination of recoverability of deferred tax assets. While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows.

(h) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals and/or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Expressed in Canadian Dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) New Accounting Standards Issued but Not Yet Effective

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

4. EQUIPMENT

	March 31, 2016			Dec. 31, 2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 3,200	$ 1,156	$ 2,044	$ 2,311

The Company recorded amortization expense of $267 (2015-$89) during the three months ended March 31, 2016

5. RELATED PARTY TRANSACTIONS

As at March 31, 2016, accounts payable and accrued liabilities included $13,878 (December 31, 2015 - $13,878) due directors and officers and to companies controlled by directors and officers. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

Included in obligations to issue shares is an amount of $2,000, which was subscribed to by a director of the Company to receive flow through shares at a later date.

Expressed in Canadian Dollars

6. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares, issuable in series.

(a) Share Issuances and Cancellation

On February 7, 2014, the Company cancelled 1,000,000 common shares, which had originally been issued at a price of $0.05 per share. The shares were previously deposited into escrow pursuant to a CPC Escrow Agreement dated September 9, 2011. As at December 31, 2015, 1,000,000 common shares remain in escrow.

In May 2014, the Company completed a private placement financing by issuing 1,000,000 common shares at $0.10 per share for gross proceeds of $100,000. The Company paid finder's cash commissions totalling $6,400 and issued 80,000 non-transferable share purchase warrants in connection with the financing. Each finder's share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.17 for a period of one year from the date of issue. Other share issue costs amounted to $1,797.

The granting of these finder's warrants resulted in a fair value allocation, calculated using the Black-Scholes option pricing model, of $480 that was recorded in reserves. The assumptions used for the Black-Scholes option pricing model valuation of the warrants were: risk-free interest rate: 1.25%, expected life: 1 year, annualized volatility: 154%, dividend yield: 0%.

There were no shares, options or warrants issued or exercised during the year ended December 31, 2015.

The Company received subscription agreements for 1,492,500 units for gross proceeds of $149,250 in March 2016. Each unit comprises of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant may be exercised at a price of $0.10.

(b) Warrants

Details of the status of the Company's warrants as at December 31, 2015 and March 31, 2016 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2014	80,000	$ 0.17
Finders' warrants expired	(80,000)	$(0.17)
Balance, December 31, 2015 and March 31, 2016	-	-

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk, as its cash is placed with a major Canadian financial institution.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2016.