

**SOJOURN VENTURES INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016**

## **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 interim financial statements, they must be accompanied by a notice indicating that the 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.

**SOJOURN VENTURES INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian Dollars)

|                                                          | June 30, 2016     | December 31,<br>2015 |
|----------------------------------------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                            |                   |                      |
| <b>Current assets</b>                                    |                   |                      |
| Cash and cash equivalents                                | \$ 293,867        | \$ 442,752           |
| Receivables and prepaids                                 | <u>6,254</u>      | <u>8,588</u>         |
| <b>Total current assets</b>                              | 300,121           | 451,340              |
| <b>Promissory note receivable</b> (Note 9)               | 100,000           | -                    |
| <b>Deferred acquisition and financing costs</b> (Note 9) | 17,500            | -                    |
| <b>Exploration and evaluation assets</b> (Note 4)        | <u>247,035</u>    | <u>247,035</u>       |
| <b>Total assets</b>                                      | <u>\$ 664,656</u> | <u>\$ 698,375</u>    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>              |                   |                      |
| <b>Current liabilities</b>                               |                   |                      |
| Accounts payable and accrued liabilities                 | <u>\$ 27,413</u>  | <u>\$ 38,048</u>     |
| <b>Shareholders' equity</b>                              |                   |                      |
| Capital stock (Note 5)                                   | 1,035,087         | 1,035,087            |
| Reserves (Note 5)                                        | 90,998            | 90,998               |
| Deficit                                                  | <u>(488,842)</u>  | <u>(465,758)</u>     |
|                                                          | <u>637,243</u>    | <u>660,327</u>       |
|                                                          | <u>\$ 664,656</u> | <u>\$ 698,375</u>    |

**Nature and continuance of operations** (Note 1)

**Proposed transaction** (Note 9)

**Approved and authorized on behalf of the Board on August 19, 2016:**

\_\_\_\_\_  
(signed) Joel Dumaresq                      Director                      (signed) Brien Lundin                      Director

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

**SOJOURN VENTURES INC.**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
(Unaudited)  
(Expressed in Canadian Dollars)

|                                                             | Three Months<br>Ended June 30,<br>2016 | Three Months<br>Ended June<br>30, 2015 | Six Months<br>Ended June 30,<br>2016 | Six Months<br>Ended June<br>30, 2015 |
|-------------------------------------------------------------|----------------------------------------|----------------------------------------|--------------------------------------|--------------------------------------|
| <b>EXPENSES</b>                                             |                                        |                                        |                                      |                                      |
| Administration fees (Note 7)                                | \$ 6,000                               | \$ 6,000                               | \$ 12,000                            | \$ 12,000                            |
| Consulting fees                                             | -                                      | 6,000                                  | -                                    | 6,000                                |
| Filing fees and transfer agent                              | 2,402                                  | 2,125                                  | 5,924                                | 5,017                                |
| Office and miscellaneous                                    | 226                                    | 41                                     | 533                                  | 76                                   |
| Professional fees                                           | 4,130                                  | 3,320                                  | 5,847                                | 3,320                                |
| Travel and related                                          | <u>-</u>                               | <u>-</u>                               | <u>-</u>                             | <u>294</u>                           |
| <b>Loss before other item</b>                               | (12,758)                               | (17,486)                               | (24,304)                             | (26,707)                             |
| <b>OTHER ITEM</b>                                           |                                        |                                        |                                      |                                      |
| Interest income                                             | <u>558</u>                             | <u>1,293</u>                           | <u>1,220</u>                         | <u>2,598</u>                         |
| <b>Loss and comprehensive loss for the period</b>           | <u>\$ (12,200)</u>                     | <u>\$ (16,193)</u>                     | <u>\$ (23,084)</u>                   | <u>\$ (24,109)</u>                   |
| <b>Basic and diluted loss per common share</b>              | <u>\$ (0.00)</u>                       | <u>\$ (0.00)</u>                       | <u>\$ (0.00)</u>                     | <u>\$ (0.00)</u>                     |
| <b>Weighted average number of common shares outstanding</b> | <u>15,067,546</u>                      | <u>14,817,546</u>                      | <u>15,067,546</u>                    | <u>14,817,546</u>                    |

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

**SOJOURN VENTURES INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOW**  
(Unaudited)  
(Expressed in Canadian Dollars)  
For the six months ended June 30,

|                                                                 | 2016              | 2015              |
|-----------------------------------------------------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                   |                   |
| Loss for the period                                             | \$ (23,084)       | \$ (24,109)       |
| Changes in non-cash working capital items:                      |                   |                   |
| (Increase) decrease in receivables and prepaids                 | 2,334             | (2,293)           |
| Increase (decrease) in accounts payable and accrued liabilities | <u>(10,635)</u>   | <u>(7,546)</u>    |
| Net cash used in operating activities                           | <u>(31,385)</u>   | <u>(33,948)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                   |                   |
| Deferred acquisition and financing costs                        | <u>(117,500)</u>  | <u>(77,416)</u>   |
| Net cash used in investing activities                           | <u>(117,500)</u>  | <u>(77,416)</u>   |
| <b>Change in cash and cash equivalents for the period</b>       | (135,290)         | (111,364)         |
| <b>Cash and cash equivalents, beginning of period</b>           | <u>442,752</u>    | <u>600,778</u>    |
| <b>Cash and cash equivalents, end of period</b>                 | <u>\$ 293,867</u> | <u>\$ 489,414</u> |

There were no significant non-cash financing or investing activities during the six months ended June 30, 2016 and 2015.

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

**SOJOURN VENTURES INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in Canadian Dollars)

|                                   | Number<br>of Common<br>Shares | Capital<br>Stock<br>Amount | Reserves  | Deficit      | Total      |
|-----------------------------------|-------------------------------|----------------------------|-----------|--------------|------------|
| <b>Balance, December 31, 2014</b> | 14,817,546                    | \$ 1,025,087               | \$ 90,998 | \$ (316,824) | \$ 799,261 |
| Loss for the period               | -                             | -                          | -         | (24,109)     | (24,109)   |
| <b>Balance, June 30, 2015</b>     | 14,817,546                    | 1,025,087                  | 90,998    | (340,933)    | 775,152    |
| Exploration and evaluation assets | 250,000                       | 10,000                     | -         | -            | 10,000     |
| Loss for the period               | -                             | -                          | -         | (124,825)    | (124,825)  |
| <b>Balance, December 31, 2015</b> | 15,067,546                    | 1,035,087                  | 90,998    | (465,758)    | 660,327    |
| Loss for the period               | -                             | -                          | -         | (23,084)     | (23,084)   |
| <b>Balance, June 30, 2016</b>     | 15,067,546                    | \$ 1,035,087               | \$ 90,998 | \$ (488,842) | \$ 637,243 |

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

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Sojourn Ventures Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on December 23, 2010 and is a corporation listed publicly on the TSX Venture Exchange (“TSX-V”). The Company is engaged in mineral exploration. The Company was previously classified as a Capital Pool Company as defined by the TSX-V Policy 2.4 until it completed its Qualifying Transaction on July 29, 2013. The Company entered into an option agreement with Qualitas Holdings Corp. to acquire a 100% interest in a mineral property on northern Vancouver Island, British Columbia (Note 4). The option agreement qualified as the Company’s Qualifying Transaction.

On March 25, 2015, the Company entered into a non-binding letter of intent (“LOI”) to acquire 100% of the issued and outstanding share capital of All-Sea Marine Ltd. (“ASM”). ASM is a holding company in the process of acquiring all of the issued and outstanding share capital of All-Sea Enterprises Ltd., All-Sea Atlantic Ltd., All-Sea Great Lakes Ltd., and All-Sea Korea Ltd, the four operating companies of the All-Sea Underwater Solutions Group (the “All-Sea Group”). During the current year, the LOI was terminated (Note 8).

On December 28, 2015, the Company entered into a binding letter of intent with respect to the proposed acquisition of Euroclub Holding Ltd. (Note 9).

The registered and records office of the Corporation is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The head office of the Corporation is located at 2630-1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9..

These condensed interim financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. 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. 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. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

The condensed interim 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.

**2. BASIS OF PREPARATION**

**Statement of compliance**

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**2. BASIS OF PREPARATION (cont'd...)**

**Basis of presentation**

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flows. All dollar amounts are presented in the Company's functional currency, the Canadian dollar, unless otherwise specified.

**Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported profit or loss during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Significant estimates made by management include the following:

**Share-based payments**

The estimated fair value of all share-based payments is determined at the date of grant using the Black-Scholes option pricing model, and is expensed in the statement of comprehensive loss over the vesting period of the options granted. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

**Exploration and evaluation assets**

Management is required to make judgements on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and most assets are likely to become impaired in future periods.

**Income taxes**

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments**

All financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets or financial liabilities measured at amortized cost. All financial instruments and derivatives are measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.



**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

The Company has classified its cash and cash equivalents as fair value through profit or loss. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

IFRS 7, Financial Instruments – Disclosures requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. 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.

*Fair value*

The carrying value of receivables, accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of the fair value hierarchy as follows:

| Assets                    | Level 1    | Level 2 | Level 3 | Total      |
|---------------------------|------------|---------|---------|------------|
| Cash and cash equivalents | \$ 293,867 | \$ -    | \$ -    | \$ 293,867 |

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. 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 assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Valuation of equity units issued in private placements**

The Company uses a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserve.

**Exploration and evaluation assets**

*Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction."

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation expenditures are classified as intangible assets.

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Impairment of long-lived assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater 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 profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Share-based compensation**

The Company recognizes a share-based compensation charge in operations for stock options granted to employees, officers and directors of the Company. The share-based compensation charge is based on the fair value of option awards granted, measured using the Black-Scholes option pricing model at the date of issue. The fair value of stock options granted is amortized to expense on a graded basis over the vesting periods of the options granted with an off-setting amount recorded in reserves. Any expense recorded for options that are forfeited because non-market vesting conditions are not satisfied, is reversed in the period in which forfeiture occurs.

**Current and deferred income taxes**

Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates enacted or substantively enacted.

Deferred tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in profit or loss, as the case may be, in the period of substantive enactment.

**Loss per share**

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

Diluted loss per share is adjusted for the dilutive effect of options, warrants and similar instruments. The dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. In the periods that the Company reports a net loss, basic per share amounts are the same basis as on a dilutive basis as the result would be anti-dilutive.

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016**

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New standards not yet adopted**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on its financial statements:

*IFRS 9, "Financial Instruments"*

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective on January 1, 2018. Early adoption is permitted and the standard is required to be applied retrospectively.

**4. EXPLORATION AND EVALUATION ASSETS**

**Title to mineral properties**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims is in good standing.

|                                                     | <i>Tahsis Property</i> |
|-----------------------------------------------------|------------------------|
| <b>Balance, December 31, 2014</b>                   | <b>\$ 202,034</b>      |
| Acquisition costs                                   | 10,000                 |
| Geochemistry and sampling                           | 35,364                 |
| British Columbia mining exploration tax credit      | (363)                  |
| <b>Balance, June 30, 2016 and December 31, 2015</b> | <b>\$ 247,035</b>      |

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**4. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

During the year ended December 31, 2013, the Company entered into an option agreement with Qualitas Holdings Corp. ("Qualitas") pursuant to which the Company was granted an option to acquire a 100% interest in the Tahsis Property (the "Property"), located on northern Vancouver Island, British Columbia. The option agreement qualified as the Company's Qualifying Transaction (the "Transaction").

The Transaction does not constitute a Non-Arm's Length Qualifying Transaction as defined in Policy 2.4 of the TSX-V. Sojourn filed a TSX-V compliant filing statement in conjunction with the Transaction and received TSX-V acceptance.

To earn its 100% interest, the Company paid \$50,000, issued 400,000 common shares valued at \$22,000, and will:

1. issue to Qualitas:
  - a. 250,000 common shares in the capital stock of the Company on or before the first anniversary of the Approval Date (issued); and
  - b. 250,000 common shares in the capital stock of the Company on or before the second anniversary of the Approval Date (issued);

all of which common shares will be subject to such hold periods as are prescribed by applicable securities laws and the rules and policies of the TSXV;
2. expend on the exploration and development of the Property:
  - a. a cumulative total of not less than \$200,000 on or before the first anniversary of the Approval Date, of which \$100,000 shall be spent on or before September 1, 2013 (incurred); and
  - b. a further amount of not less than \$200,000 on or before the second anniversary of the Approval Date.

The Company has not met the exploration and development target expenditure of \$200,000 on or before the second anniversary of the Approval Date and is currently in negotiations to amend the agreement.

Qualitas will retain a 3% royalty in the Property. In the event that commercial production is achieved on the Property, the Company will have the right to purchase 1% of the royalty held by Qualitas for \$1,000,000 per 1% or \$2,000,000 for 2% of the 3% royalty held by Qualitas.

A finder's fee in consideration for the introduction of the Property to the Company was paid in accordance with TSX-V policies in connection with the Transaction in the amount of \$28,575. The Company issued 519,545 common shares valued at \$0.055 per common shares as consideration for the finder's fee.

**5. CAPITAL STOCK AND RESERVES**

**Authorized capital stock**

As at June 30, 2016, the authorized capital stock of the Company is an unlimited number of common shares without par value.

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016**

---

**5. CAPITAL STOCK AND RESERVES (cont'd...)**

**Exploration and evaluation assets**

Pursuant to the option agreement with Qualitas (Note 4), the Company issued Nil common shares (December 31, 2015 - 250,000) with a value of \$Nil (December 31, 2015 - \$10,000).

**Escrow shares**

As at June 30, 2016, the Company has 230,401 common shares (December 31, 2015 – 460,801) held in escrow and being released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

**Stock options**

The Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees 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. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Stock option transactions are summarized as follows:

---

|                                                    | Number<br>of Options | Weighted<br>Average<br>Exercise<br>Price |
|----------------------------------------------------|----------------------|------------------------------------------|
| Balance, June 30, 2016, December 31, 2015 and 2014 | 930,000              | \$ 0.10                                  |
| Number of options currently exercisable            | 930,000              | \$ 0.10                                  |

---

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
**FOR THE SIX MONTHS ENDED JUNE 30, 2016**

**5. CAPITAL STOCK AND RESERVES (cont'd...)**

**Stock options (cont'd...)**

As at June 30, 2016, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

| Number<br>of Options | Exercise<br>Price | Expiry Date       |
|----------------------|-------------------|-------------------|
| 180,000              | \$ 0.10           | November 20, 2017 |
| 600,000              | 0.10              | May 18, 2022      |
| <u>150,000</u>       | 0.10              | June 26, 2023     |
| 930,000              |                   |                   |

**Warrants**

Warrant transactions are summarized as follows:

|                                                 | Number<br>of Warrants | Weighted<br>Average<br>Exercise<br>Price |
|-------------------------------------------------|-----------------------|------------------------------------------|
| Balance, June 30, 2016, December 31, 2015, 2014 | 4,112,000             | \$ 0.15                                  |
| Number of warrants currently exercisable        | 4,112,000             | \$ 0.15                                  |

As at June 30, 2016, the Company had outstanding share purchase warrants enabling the holders to acquire common shares as follows:

| Number<br>of Warrants | Exercise<br>Price | Expiry Date      |
|-----------------------|-------------------|------------------|
| 2,500,000             | \$ 0.15           | October 15, 2016 |
| <u>1,612,000</u>      | 0.15              | November 1, 2016 |
| 4,112,000             |                   |                  |

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**6. FINANCIAL AND CAPITAL RISK MANAGEMENT**

As at June 30, 2016, the Company's financial instruments are comprised of cash and cash equivalents, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company does not have cash and cash equivalents that is invested in asset backed commercial paper.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2016, the Company had a cash and cash equivalents balance of \$293,867 to settle current liabilities of \$27,413. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of June 30, 2016, the Company has an interest-bearing financial asset in the form of a GIC with a principal amount of \$217,661 for a term of one year which bears interest of 1.00% per annum. The GIC funds can be liquidated without an early redemption penalty.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.



**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**6. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

*Capital management*

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2016, the Company's shareholders' equity was \$637,243 and it had \$27,413 in current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is not subject to any externally imposed capital requirements.

**7. RELATED PARTY TRANSACTIONS**

During the six months ended June 30, 2016 and 2015, the Company entered into the following transactions with related parties:

- (a) The Company paid or accrued rent & service fees of \$12,000 (2015 - \$12,000) to Tanun Holdings Ltd., a company controlled by the spouse of John Meekison, the Chief Financial Officer and director of the Company.
- (b) The Company paid or accrued exploration and evaluation costs of \$Nil (2015 - \$Nil) to Mammoth Geological Ltd., a company controlled by R. Tim Henneberry, a director of the Company.

As at June 30, 2016, \$2,100 (2015 - \$2,000) is owed to Tanun Holdings Ltd.

**8. WRITE-OFF OF DEFERRED ACQUISITION COSTS**

On March 25, 2015, the Company entered into a LOI to acquire 100% of the issued and outstanding share capital of ASM (the "Proposed ASM Transaction"). ASM is a holding company in the process of acquiring all of the issued and outstanding share capital of All-Sea Enterprises Ltd., All-Sea Atlantic Ltd., All-Sea Great Lakes Ltd., and All-Sea Korea Ltd, the four operating companies of the All-Sea Group.

The Proposed Transaction was to be effected as a reverse takeover (as defined under the policies of the TSX Venture Exchange).

The LOI provided for a 120 day mutual exclusivity period during which both parties would conduct due diligence and negotiate the Definitive Agreement. The Company paid an exclusivity fee of \$37,500, which would be non-refundable unless ASM decides not to proceed with the Proposed Transaction during the exclusivity period for any reason other than determining that the Company has provided materially false information. The Company paid additional costs of \$24,916 in relation to the Proposed ASM Transaction during the year ended December 31, 2015.

The LOI was terminated on October 23, 2015 and the Company wrote off deferred acquisition costs totalling \$62,416.

**9. PROPOSED TRANSACTION**

On January 6, 2016, the Company announced that it had entered into a binding letter of intent (the "LOI"), dated December 30, 2015, with respect to the proposed acquisition of Euroclub Holding Ltd. ("Euroclub") (the "Euroclub Proposed Transaction").

**SOJOURN VENTURES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
FOR THE SIX MONTHS ENDED JUNE 30, 2016

---

**9. PROPOSED TRANSACTION (cont'd...)**

In operation since early 2012, Euroclub is an online gaming company with licenses in the United Kingdom and Malta. Euroclub provides an advanced multi-gaming platform for business-to-business and direct-to-consumer services integrated with a full suite of gaming products for social and real money play, including poker, casino, sports betting and skill games. It is anticipated that the Euroclub Proposed Transaction will be effected as a reverse take-over (as such term is defined under the policies of the TSX Venture Exchange) in which the Company will acquire 100% of the issued and outstanding capital stock of Euroclub. In conjunction with the Euroclub Proposed Transaction, the Company will undertake a best efforts private placement of its common shares for gross proceeds of up to \$1,000,000 (the "Concurrent Placement"), at a price to be determined by the Company's board of directors. As consideration, the Company will issue approximately 152,173,918 common shares, which will represent approximately 91% of the Company's issued and outstanding capital stock before giving effect to the Concurrent Placement. Upon completion of the Euroclub Proposed Transaction, the Company will change its name to align with the new global brand that Euroclub is developing and shall carry on the business presently carried on by Euroclub.

The terms of the Euroclub Proposed Transaction will be set out in a definitive agreement (the "Definitive Agreement"), which will contain representations and warranties for the benefit of each of the parties and closing conditions as are customary in comparable transactions. The Definitive Agreement will set out the conditions that are to be satisfied or waived by one or more parties at or prior to closing, including the following:

- completion of the Concurrent Placement;
- receipt of all required approvals from the Company's shareholders;
- the Company having a minimum cash balance of \$200,000 at the closing date;
- accuracy of the representations and warranties contained in the Definitive Agreement as of the closing date;
- no material adverse change with respect to the parties will have occurred;
- receipt of all required regulatory, stock exchange, creditor, court and security holder approvals, consents, waiver exemptions and orders;
- Euroclub holding all licenses, rights, intellectual property and any other assets necessary for the operation of its business;
- satisfactory completion of due diligence by both Euroclub and the Company; and
- approval by the Company's board of directors.

It is anticipated that the number of board members for the resulting issuer will be set at five, with Euroclub appointing two board members and Sojourn appointing one. Nick Mellios from Euroclub and the Company's John Meekison will be appointed to the board of the resulting issuer with a second director from Euroclub to be appointed prior to closing. Two additional independent board members will be appointed by mutual agreement of the Company and Euroclub. Current board members of the Company not appointed to the board of the resulting issuer will resign.

As part of the Euroclub Proposed Transaction, the Company loaned Euroclub \$100,000 on January 19, 2016. The loan bears interest at 4% per annum, has a term of one year, and is evidenced by a promissory note secured by the assets of Euroclub. The terms of the promissory note and security agreements provide that (a) if Euroclub elects not to proceed with the transaction, the loan will become immediately due and payable within ten days of failure to complete, with a \$25,000 penalty; and (b) in the event that the Company elects not to proceed with the transaction, the loan will be reduced by \$25,000. If TSX Venture Exchange approval is not received on or before May 31, 2016, either party may elect to terminate without penalty. In addition, the Company has paid \$17,500 in deferred costs.

The Euroclub Proposed Transaction is an arm's length transaction. Following completion, the resulting issuer will be an industrial issuer under the policies of the TSX Venture Exchange.

The Company continues to work with Euroclub on the Proposed Transaction. However it should be noted that the terms of the LOI expired as of June 30, 2016 and as of August 26, 2016 have not been extended.