REMO RESOURCES INC.

(An Exploration Stage Company)

Financial Statements

For the Years Ended March 31, 2016 and 2015

(Expressed in Canadian Dollars)

charlton

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Remo Resources Inc.

We have audited the accompanying financial statements of Remo Resources Inc., which comprise the statements of financial position as at March 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended March 31, 2016 and 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Remo Resources Inc. as at March 31, 2016 and 2015, and its financial performance and cash flows for the years ended March 31, 2016 and 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia
July 21, 2016

REMO RESOURCES INC.
(An Exploration Stage Company)
Statements of Financial Position
As at March 31, 2016 and 2015
In Canadian Dollars

		2016		2015
Assets				
Current Assets				
Cash	$	343,467	$	414,633
GST recoverable		609		719
Prepaid expenses		3,349		3,349
		347,425		418,701
Mineral property (Note 4(b))		6,101		11,765
TOTAL ASSETS	$	353,526	$	430,466
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	$	8,813	$	8,720
Shareholders' Equity				
Share capital (Note 5)		805,908		805,908
Reserves (Note 5)		138,641		138,641
Deficit		(599,836)		(522,803)
		344,713		421,746
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	353,526	$	430,466

Nature of operations and continuance of business (Note 1)

Approved by the Board of Directors:

"Stephen Kenwood" — Stephen Kenwood, Director

"Darren Devine" — Darren Devine, Director

(The accompanying notes are an integral part of these financial statements)

REMO RESOURCES INC.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
For the Years Ended March 31, 2016 and 2015
In Canadian Dollars

		2016		2015
Expenses				
Audit and accounting (Note 9)	$	23,175	$	24,300
Business investigation costs (Note 6)		-		9,173
Exploration and evaluation costs (Note 4(c))		2,000		1,215
Filing and transfer agent fees		13,633		14,309
General and administrative (Note 9)		15,666		18,908
Legal		11,395		642
Rent (Note 9)		5,500		6,000
		71,369		74,547
Write-down of mineral property (Note 4(b))		5,664		-
Net loss and comprehensive loss for the year	$	77,033	$	74,547
Loss per common share, basic and diluted	$	0.01	$	0.01
Weighted average common shares outstanding		8,925,000		8,925,000

(The accompanying notes are an integral part of these financial statements)

REMO RESOURCES INC.
(An Exploration Stage Company)
Statement of Cash Flows
For the Years Ended March 31, 2016 and 2015
In Canadian Dollars

	2016	2015
Cash provided by (used in):		
Operating activities		
Net loss for the year	$ (77,033)	$ (74,547)
Items not affecting cash:		
Write-down of mineral property	5,664	-
Changes in non-cash operating working capital:		
GST recoverable	110	527
Tax receivable	-	2,904
Prepaid expenses	-	462
Accounts payable and accrued liabilities	93	(13,960)
	(71,166)	(84,614)
Decrease in cash	(71,166)	(84,614)
Cash, beginning of year	414,633	499,247
Cash, end of year	$ 343,467	$ 414,633
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

There were no significant non-cash transactions excluded from the statement of cash flows for the years ended March 31, 2016 and 2015.

(The accompanying notes are an integral part of these financial statements)

REMO RESOURCES INC.
(An Exploration Stage Company)
Statement of Changes in Equity
For the Years Ended March 31, 2016 and 2015
In Canadian Dollars

	Share Capital		Reserves			
	Shares	Amount $	Options $	Warrants $	Deficit $	Total $
Balance, March 31, 2014	8,925,000	805,908	34,105	104,536	(448,256)	496,293
Net loss and comprehensive loss for the year	-	-	-	-	(74,547)	(74,547)
Balance, March 31, 2015	8,925,000	805,908	34,105	104,536	(522,803)	421,746
Net loss and comprehensive loss for the year	-	-	-	-	(77,033)	(77,033)
Balance, March 31, 2016	8,925,000	805,908	34,105	104,536	(599,836)	344,713

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Remo Resources Inc. (the "Company") was incorporated on May 2, 2011, under the laws of the province of British Columbia, Canada, and changed its name from Hadrian Resources Inc. on August 4, 2011. Its principal activity is the acquisition and exploration of mineral properties in Canada. The head office, principal address and records office of the Company are located at 789 West Pender Street, Suite 800, Vancouver, British Columbia, Canada.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. Several conditions discussed below cast substantial doubt regarding this assumption. The Company has no operating revenue and has an accumulated deficit of $599,836 as at March 31, 2016 (2015 - $522,803). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

2. Basis of Presentation

(a) Statement of Compliance

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

The accounting policies set out in Note 3 have been applied consistently by the Company during the current year.

(b) Approval of the Financial Statements

The financial statements of Remo Resources Inc. for year ended March 31, 2016 were approved and authorized for issue by the Board of Directors on July 21, 2016.

(c) Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared, except for cash flow information, using the accrual basis of accounting.

2. Basis of Presentation (continued)

(d) Critical accounting judgements and estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used include, among others, the amounts recorded for the recoverability and impairment of mineral properties, valuation of share-based payments and provision for deferred income tax, including the effects of flow-through shares.

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

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the financial statements is included going concern assessment (Note 1).

(e) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3. Significant Accounting Policies

(a) Cash

The Company considers cash to include amounts held in banks. The Company places its cash with major financial institutions in Canada.

(b) Mineral Property

i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the period. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

3. Significant Accounting Policies (continued)

(b) Mineral Property (continued)

i) Exploration and evaluation (continued)

Management reviews the carrying value of capitalized exploration costs annually. The review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditure is net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

iii) Impairment

The carrying value of all categories of mineral property and exploration are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset or CGU through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs. Once calculated, 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.

3. Significant Accounting Policies (continued)

(b) Mineral Property (continued)

iii) Impairment (continued)

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

(c) Provision for Environmental Rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect 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 straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(d) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3. Significant Accounting Policies (continued)

(d) Provisions (continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(e) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized either in other comprehensive income or directly in equity.

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

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Significant Accounting Policies (continued)

(f) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the end of the reporting periods, which are classified as non-current assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company's loans and receivables consist of cash on the statement of financial position.

Financial Assets at Fair Value Through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has not designated any financial assets at fair value through profit or loss.

3. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company has not designated any financial assets as available-for-sale.

Financial Liabilities

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit and loss are expensed as incurred. The Company's financial liabilities consist of accounts payable and accrued liabilities.

Impairment of Financial Assets

The Company assesses at the end of each reporting date whether there are indicators of impairment present for financial assets other than financial assets valued through profit and loss. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in the statement of loss and comprehensive loss.

3. Significant Accounting Policies (continued)

(g) Loss Per Share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible notes and share options granted to employees. In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

(h) Comprehensive Income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(i) Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as part of private placement units with the value attributed to the warrants recorded as a separate component of equity.

Common shares, which by agreement are designated as flow-through shares, are usually issued at a premium to non flow-through common shares. On issue, share capital is increased only by the non flow-through share equivalent value. Any premium is recorded as a flow-through share liability. Pursuant to any flow-through share agreement the Company must renounce its flow-through share exploration expenditures to the flow-through shareholders, and the Company gives up its rights to the income tax benefits on the exploration expenditures. The flow-through share liability is recognized in other income as the associated exploration expenditures are incurred.

3. Significant Accounting Policies (continued)

(j) Related Parties

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. Parties are also considered to be related if they are subject to common control. Related parties may be individuals 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.

(k) Recent Accounting Pronouncements

Recent Accounting Pronouncements Adopted:

IFRS 7 Financial Instruments - Disclosure ("IFRS 7") has been amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on or after April 1, 2015.

Recent Accounting Pronouncements not yet applied:

IFRS 9 Financial Instruments ("IFRS 9") partially replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39.The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective on or after January 1, 2018.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations ("IFRS 11") has been amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business. IFRS is effective on or after January 1, 2016.

IFRS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization ("IFRS 16 and IAS 38") have been amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption for intangible assets. IFRS 16 and IAS 38 are effective on or after January 1, 2016.

In Canadian Dollars

4. Mineral Property

(a) Adrian Property, British Columbia, Canada

The Company acquired the Adrian property, located in the British Columbia, consisting of 7 claims, through staking. Due to unfavourable market conditions, management has decided to drop four of the claims, therefore $5,664 (2015 - $nil) of the acquisition costs have been written down during the year ended March 31, 2016. The Company has incurred $2,000 (2015: $1,215) in exploration expenditures on this property during the year ended March 31, 2016.

(b) Acquisition Costs

Details of acquisition costs incurred for the years ended March 31, 2016 and 2015 are as follows:

Adrian Property, British Columbia, Canada		2016		2015
Balance – beginning of year	$	11,765	$	11,765
Write-down		(5,664)		-
Balance – end of year	$	6,101	$	11,765

(c) Mineral Exploration Costs

Details of exploration activities for the years ended March 31, 2016 and 2015 are as follows:

Adrian Property, British Columbia, Canada		2016		2015
Mineral exploration costs				
Camp and general	$	2,000	$	-
Total mineral exploration costs – expensed		2,000		-
BCMETC *		-		1,215
Net mineral exploration costs – expensed		2,000		1,215
Mineral exploration costs – beginning of year		177,179		175,964
Mineral exploration costs - end of year	$	179,179	$	177,179

* During the year ended March 31, 2016, the Company recorded $nil (2015 - $1,215) of exploration and evaluation expenditures as an adjustment to the British Columbia Mining Exploration Tax Credit (“BC METC”) receivable recorded as at March 31, 2015 (March 31, 2014).

In Canadian Dollars

5. Shareholders' Equity

(a) Authorized

Unlimited number of common shares without par value

(b) Issued Share Capital

8,925,000 common shares without par value

There were no common shares issued during the years ended March 31, 2016 and 2015.

(c) Reserves

The following is a summary of the reserves components relating to stock options and common share purchase warrants as at March 31, 2016 and 2015:

		2016		2015
Options	$	34,105	$	34,105
Warrants		104,536		104,536
Total	$	138,641	$	138,641

(d) Warrants

Details of warrants activity for the years ended March 31, 2016 and 2015 are as follows:

March 31, 2014	Issued	Exercised	March 31, 2015 and 2016	Exercise Price	Expiry Date
3,605,000	-	-	3,605,000	$0.20	December 21, 2017

(e) Escrow shares

Pursuant to an escrow agreement dated April 12, 2012, 2,555,000 shares and 1,555,000 share purchase warrants were placed in escrow. 10% of the escrowed shares (255,500 shares) and warrants (155,500 warrants) were released from escrow on December 21, 2012, the date of IPO, and 15% of the escrowed shares and warrants will be released from escrow every 6 months thereafter. As at March 31, 2015, 766,500 shares and 466,500 share purchase warrants remain in escrow.

As at March 31, 2016, all shares and share purchase warrants were released from escrow.

In Canadian Dollars

6. Proposed Acquisition

On March 14, 2014, the Company entered into a letter of intent for the Company to acquire all of the issued and outstanding securities of Indentillect Technologies Inc. (“Identillect”), by way of an amalgamation of plan of arrangement (the “Proposed Acquisition”).

During the year ended March 31, 2015, the Company has incurred $nil (2015: $9,173) of business investigation costs associated with the Proposed Acquisition.

On May 12, 2014, the Company announced that it has elected not to pursue the Proposed Acquisition.

7. Segmented Information

The Company operates in one segment – the acquisition, exploration and development of mineral properties. As at March 31, 2015 and 2016, all of the Company’s operations and assets were in Canada.

8. Income Taxes

(a) Current Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	2016	2015
Net loss for the year	(77,034)	(74,548)
Expected tax recovery at a combined federal and provincial rate of 26.00% (2015: 26.00%)	(20,029)	(19,382)
Tax Effect of:		
Permanent differences	1,473	2,385
Change in future tax rate	-	-
Change in benefit not recognized	18,556	16,997
Recovery of income taxes	-	-

In Canadian Dollars

8. Income Taxes (continued)

(b) Deferred Income Taxes

Deferred income tax assets have not been recognized in respect of the following items:

		2016	2015
Mineral property costs	$	13,288	11,816
Deferred transaction costs		10,999	21,998
Non-capital losses		152,006	122,971
Deferred income tax assets	$	176,293	156,785

At March 31, 2016, the Company has Canadian non-capital losses of $584,639 (2015: $472,966) which, if not utilized to reduce income in future periods, expires as follows.

2032	$	41,589
2033		196,616
2034		128,298
2035		106,463
2036		111,673
	$	584,639

9. Related Party Transactions

The Company's related parties and key management personnel consist of companies owned by the executive officer and directors as follows:

	Relationships	Nature of transactions
CDM Capital Partners Inc.	Partially owned and controlled by the director of the Company	Accounting, Consulting, Office and Administration, Rent, Director fees and Legal
VC Consulting Corp.	Owned and controlled by the CFO of the Company	Accounting

During the year ended March 31, 2016, related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

- The Company paid $13,750 (2015: $15,000) for accounting fees, $4,000 (2015: $6,000) for office and administrative fees, $5,500 (2015: $6,000) for rent to CDM Capital Partners Inc.; and
- The Company paid $900 (2015: $Nil) for accounting fees to VC Consulting Corp.

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements as at March 31, 2016.

11. Financial Instruments

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	$	344,076
Financial liabilities measured at amortized cost	$	8,813

a) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

b) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company’s financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

11. Financial Instruments

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of share subscriptions receivable. Management is of the view that this amount is fully collectible.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

e) Foreign Currency Exchange Rate Risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.