

BHK MINING CORP.
(formerly BHK Resources Inc.)

Condensed Interim Consolidated Financial Statements

June 30, 2015

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying condensed interim consolidated financial statements of BHK Mining Corp. (the “Company”) for the period ended June 30, 2015 have been prepared by management and are the responsibility of the Company’s management and have not been reviewed by an auditor.

BHK MINING CORP.
(formerly BHK Resources Inc.)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
EXPENSES				
Exploration expenses	\$ 258,904	\$ -	\$ 513,727	\$ -
Salaries and consulting fees	55,363	3,360	193,501	19,110
Professional fees	62,463	111,286	113,383	121,286
Due diligence costs	-	47,422	-	47,422
Filing fees and related charges	7,435	6,752	19,505	16,900
Travel	5,403	47,013	49,662	117,137
Office expenses	51,279	8,685	84,937	14,274
Loss (gain) on foreign exchange	3,197	6,898	(14,057)	(925)
Bank charges	1,890	281	3,595	594
Depreciation	2,328	142	3,927	284
Share-based payments	4,711	-	149,051	-
Loss before other item	\$ (452,973)	\$ (231,839)	\$ (1,117,251)	\$ (336,082)
OTHER ITEM				
Interest income	860	1,367	2,495	2,975
NET LOSS	\$ (452,113)	\$ (230,472)	\$ (1,114,756)	\$ (333,107)
Currency translation difference	(51,333)	-	(43,461)	-
COMPREHENSIVE LOSS FOR THE PERIOD	\$ (503,446)	\$ (230,472)	\$ (1,158,217)	\$ (333,107)
LOSS PER SHARE, Basic and Diluted	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Basic and Diluted)				
	32,169,063	15,500,000	30,142,989	15,500,000

The accompanying notes are an integral part of these financial statements

BHK MINING CORP.
(formerly BHK Resources Inc.)
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Reserves \$	Accumulated Other Comprehensive Income (loss) \$	Deficit \$	Total Shareholders' Equity \$
	Number	Amount \$				
Balance at December 31, 2013	15,500,000	1,012,174	110,611	-	(157,855)	964,930
Net loss for the period	-	-	-	-	(333,107)	(102,634)
Balance at June 30, 2014	15,500,000	1,012,174	110,611	-	(490,962)	631,823
Net loss for the period	-	-	-	-	(138,599)	(138,599)
Balance at December 31, 2014	15,500,000	1,012,174	110,611	-	(629,561)	493,224
Shares issued at \$0.20 per share	16,135,000	3,227,000	-	-	-	3,227,000
Share issued, corporate finance fee	325,000	65,000	-	-	-	65,000
Share issued, finders' fees	209,063	41,812	-	-	-	41,812
Share issuance costs	-	(475,222)	103,698	-	-	(371,524)
Share based payments	-	-	149,051	-	-	149,051
Currency translation adjustment	-	-	-	(43,461)	-	(43,461)
Net loss for the period	-	-	-	-	(1,114,756)	(1,114,756)
Balance at June 30, 2015	32,169,063	3,870,764	363,360	(43,461)	(1,744,317)	2,446,346

The accompanying notes are an integral part of these financial statements

BHK MINING CORP.
(formerly BHK Resources Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Cash Flows From (Used In) Operating Activities				
Net loss for the period	\$ (452,113)	\$ (230,472)	\$ (1,114,756)	\$ (333,107)
Items not affecting cash:				
Depreciation	18,347	142	24,209	284
Share based payments	4,711	-	149,051	-
Changes in non-cash working capital items:				
Other receivables	(7,113)	-	1,494	6,068
Prepaid and deposits	65	(20,000)	1,207	(35,000)
Accounts payable and accrued liabilities	(102,198)	151,026	(17,448)	123,893
Net cash used in operating activities	(538,301)	(99,304)	(956,243)	(237,862)
Cash Flows Used In Investing Activities				
Acquisition of Dome International Global Inc., net of cash acquired	-	-	(1,944,881)	-
Acquisition of equipment	(51,454)	-	(254,815)	-
Net cash used in investing activities	(51,454)	-	(2,199,696)	-
Cash Flows From Financing Activities				
Issue of share capital, net of share issuance costs	-	-	2,975,476	-
Net cash provided by financing activities	-	-	2,975,476	-
Effect of exchange rates on cash and cash equivalents	(47,543)	-	(39,671)	-
DECREASE IN CASH AND CASH EQUIVALENTS	(637,298)	(99,304)	(220,134)	(237,862)
CASH AND CASH EQUIVALENTS, Beginning of Period	900,222	822,365	483,058	960,923
CASH AND CASH EQUIVALENTS, End of Period	\$ 262,924	\$ 723,061	\$ 262,924	\$ 723,061

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

BHK MINING CORP.
(formerly BHK Resources Inc.)
Notes to Condensed Interim Consolidated Financial Statements
June 30, 2015
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

BHK Resources Inc. was incorporated under the Business Corporations Act (British Columbia) on December 10, 2012 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) policy 2.4. The Company changed its name to BHK Mining Corp. (the “Company”) effective January 21, 2015. On January 23, 2015, the Company completed its Qualifying Transaction (“QT” as defined in the TSX-V Policy 2.4). The QT consisted of the acquisition of Dome International Global Inc. (“Dome”), which indirectly owns the Ndjole manganese gold exploration property in Gabon (the “Property”). The principal business of the Company is the exploration and evaluation of the Property. The Company’s shares trade on the TSX-V under the symbol “BHK.V”.

The head office of the Company is located at Suite 717, 1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3. The registered office of the Company is located at Suite 1700, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8. As at June 30, 2015, the Company owns 100% of Dome International Global Inc. and its 100% owned subsidiary, Dome Gabon SARL (“Dome Gabon”), which in turn holds the exploration license for the Property.

The Company’s continuing operations as intended and its ability to continue as a going concern is dependent upon its ability to continue to raise financing. 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. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

As at June 30, 2015, the Company has a cumulative deficit of \$1,744,317 (December 31, 2014 - \$629,561) and working capital of \$138,339 (December 31, 2014 - \$346,066). There can be no assurance that adequate finance will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward.

These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB. The Company has used the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2014.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and of its two 100% owned subsidiaries: Dome International Global Inc. (incorporated in BVI) and Dome Gabon SARL (incorporated in Gabon). All intercompany transactions have been eliminated upon consolidation.

Significant accounting judgments, estimates and assumptions

Estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- i) The provision for income taxes and recognition of deferred income tax assets and liabilities.
- ii) The inputs used in accounting for the fair value of share-based payment transactions.
- iii) The inputs used in accounting for the fair value of warrants.
- iv) The fair value of the total consideration in the Acquisition.
- v) The fair value of net assets of Dome acquired during the year.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- i) The determination of the Company and its subsidiaries' functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

- ii) The carrying value of the exploration and evaluation assets and the recoverability of the carrying value

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized are economically recoverable.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

- iii) The assessment of the Acquisition as an asset acquisition or business combination

Management has had to apply judgments relating to its acquisition during the year with respect to whether the Acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion.

Foreign currency translation

- i. Functional and presentation currency

The consolidated financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars.

The functional currency of the Company is in Canadian dollars and its wholly owned subsidiaries are in U.S Dollars ("US\$").

- ii. Transactions and balances

Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statements of operation and comprehensive income (loss).

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash and cash equivalents. There were no cash equivalents as at June 30, 2015.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan as described in note 5c. The Company accounts for share-based payments using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the grantees earn the options.

The Company recognizes share-based payment expense for the estimated fair value of stock options granted to both employees and non-employees. Accordingly, compensation costs are measured at fair value at the grant date and recognized over the expected vesting period.

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options which are fully transferable and freely traded. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. Share-based payment calculations have no effect on the Company's cash position.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Equipment is depreciated to write off the cost of the assets to operations using straight-line method over their estimated useful life at the following annual rates:

Mining equipment	5 years
Computers and vehicles	3 years
Software	2 years

Exploration and evaluation costs

Exploration and evaluation costs include costs to acquire exploration rights, geological studies, exploratory drilling and sampling and directly attributable administrative costs. Exploration and evaluation costs relating to non-specific projects or properties or those incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred. In addition, exploration and evaluation costs, other than direct acquisition costs, are expensed before a mineral resource is identified as having economic potential.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation costs (continued)

Exploration and evaluation costs are capitalized as mineral interests when a mineral resource is identified as having economic potential on a property. A mineral resource is considered to have economic potential when it is expected that documented resources can be legally and economically developed considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

- i) There is a probable future benefit that will contribute to future cash inflows;
- ii) The Company can obtain the benefit and control access to it; and
- iii) The transaction or event giving rise to the benefit has already occurred.

Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, mineral interests are reclassified to mine properties within property, plant and equipment and carried at cost until the properties to which they relate are placed into commercial production, sold, abandoned or determined by management to be impaired in value.

Costs relating to any producing mineral interests would be amortized on a unit of production basis over the estimated ore reserves. Costs incurred after the property is placed into production that increase production volume or extend the life of a mine are capitalized.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral interest, or if no amounts are capitalized, then the proceeds are recorded in the consolidated statements of operations and comprehensive income (loss).

Impairment of non-financial assets

The Company reviews and evaluates its property and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss.

An impairment loss is reversed if there is an indication that 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 depreciation, if no impairment loss had been recognized.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as foreign exchange on translation, unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net income (loss).

Loss per share

The Company presents basic loss per share for its common shares, dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding because the effect is anti-dilutive.

Financial instruments

Financial assets

Financial assets are classified into one of four categories:

- a) Fair value through profit or loss;
- b) Held-to-Maturity;
- c) Loans and receivables; and
- d) Available for sale.

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss. The Company classified its cash and cash equivalents as FVTPL which is measured at fair value.

Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Loans and receivables

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

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Available for sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations and comprehensive loss.

Financial liabilities

Financial liabilities are classified into one of two categories:

- a) Fair value through profit or loss; and
- b) Other financial liabilities.

Fair value through profit or loss

This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with the changes in fair value recognized in the statements of operations and comprehensive loss.

Other financial liabilities

This category includes accounts payable and accrued liabilities and due to a related party, which are recognized at amortized cost.

Impairment of financial assets

Financial assets 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:

- a) significant financial difficulty of the issuer or counterparty; or
- b) default or delinquency in interest or principal payments; or
- c) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current 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 tax is recorded using the statements of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

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

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. 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.

Standards adopted

IAS 16 Property, plant and equipment and IAS 38 Intangible assets

The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The adoption of this amendment does not have a material impact on the Company's consolidated financial statements.

IAS 24 Related party disclosures

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The adoption of this amendment does not have a material impact on the Company's consolidated financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at June 30, 2015 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

IFRS 9 Financial instruments

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the "own credit requirement" in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements. The Company does not expect this amendment to have a material impact on its financial statements.

3. EQUIPMENT

Cost	Computers	Software	Mining equipment	Vehicles	Total
	\$	\$	\$	\$	\$
December 31, 2014 and 2013	1,705	-	-	-	1,705
Assets acquired in Transaction (Note 4)	-	-	-	11,739	11,739
Additions	11,397	16,279	104,594	118,968	251,238
Foreign exchange	-	-	16	(229)	(213)
June 30, 2015	13,102	16,279	104,610	130,478	264,469
Accumulated amortization					
December 31, 2014	1,137	-	-	-	1,137
Acquired in Transaction	-	-	-	-	-
Additions	536	3,391	4,011	16,641	24,579
Foreign exchange	-	-	(86)	(284)	(370)
June 30, 2015	1,673	3,391	3,925	16,357	25,346

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3. EQUIPMENT (continued)

Net book value	Computers	Software	Mining equipment	Vehicles	Total
December 31, 2014	\$ 568	-	-	-	\$ 568
June 30, 2015	\$ 11,429	\$ 12,888	\$ 100,685	\$ 114,121	\$ 239,123

4. ACQUISITION OF THE NDJOLE EXPLORATION PROPER

On January 23, 2015, BHK acquired all of the outstanding shares of Dome (the “Transaction”). The Transactions accounted for as an acquisition of assets as the activities of Dome did not meet the definition of a business in accordance with IFRS 3. The primary asset of Dome is the 100% owned Ndjole manganese gold project in Gabon.

As consideration for the Transaction, the Company paid in cash an aggregate of \$1,931,554 (US\$1,500,000 plus US\$72,559 for expenses) of which \$26,590 (US\$25,000) was paid as a non-refundable deposit in December 2013. The Company paid finders fees upon completion of the Transaction in the amount of \$56,180 (US\$48,750) and of \$30,000. These fees were paid 50% in cash and 50% by way of issuing 209,063 of the Company’s common shares. In addition, the Company has accrued \$59,020 for other expenses payable related to the Transaction.

On January 23, 2015, the Company raised gross cash proceeds of \$3,227,000 by the issuance of 16,135,000 common shares at a price of \$0.20 per share (the “Financing”). The Company issued 325,000 common shares as a corporate finance fee and 777,150 warrants exercisable at \$0.20 per share for a period of 24 months and paid commissions and expenses of \$371,524 related to the Financing, of which \$120,000 was included in deferred financing costs at December 31, 2014.

At the completion of the Financing, the Company issued 1,600,000 common share purchase options to officers and directors of the Company. These options have an exercise price of \$0.20 per share, expire on January 23, 2020 and have been recorded as share-based payments of \$144,340 during the period.

Dome’s net assets that were acquired by the Company were estimated at a fair value of \$2,077,536, allocated as follows:

Cash	\$ 1,904,964
Deposit	26,590
Transaction costs	145,982
Total consideration	<u>\$ 2,077,536</u>

Identifiable fair value of net assets of Dome acquired:

Cash	\$ 4,450
Equipment	11,739
Other assets	11,127
Ndjole property	2,068,884
Accounts payable	<u>(18,664)</u>
Net assets acquired	<u>\$ 2,077,536</u>

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5. SHARE CAPITAL

a) Authorized share capital:

As at June 30, 2015, the authorized share capital of the Company was an unlimited number of common shares without par value.

b) Issued and outstanding share capital:

On January 23, 2015, the Company raised gross cash proceeds of \$3,227,000 by the issuance of 16,135,000 common shares at a price of \$0.20 per share (the "Financing"). In addition, the Company issued 325,000 shares as a corporate finance fee and 209,063 shares as finders' fees related to the Financing.

c) Stock options

Previously, the Company had a stock option plan under which it could grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. In June 2015, the Company amended the plan to limit the number of options issuable to a maximum of 2,750,000 options.

The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of up to ten years and vest as determined by the board of directors.

On January 23, 2015, the Company issued 1,600,000 stock options and on April 9, 2015 issued 100,000 stock options to officers and directors to be vested immediately. These options have an exercise price of \$0.20 per share and expire on January 23, 2020 and April 9, 2020 respectively. Issuance of these options was recorded as share-based payments in the amount of \$144,340 and \$4,711 based on a Black Scholes calculation using a risk-free interest rate of 0.76%, a volatility of 161.2%, an expected life of five years and no vesting period nor forfeitures.

The following Stock Options were outstanding as at June 30, 2015:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Fair Value of Options
September 27, 2018	\$0.10	1,050,000	3.24	\$0.09
January 23, 2020	\$0.20	1,600,000	4.57	\$0.09
April 9, 2020	\$0.20	100,000	4.78	\$0.09
Total	\$0.16	2,750,000	4.07	\$0.09

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5. SHARE CAPITAL (continued)

d) Agents' Warrants

In connection with the Company's equity issuance on January 23, 2015, agents received 777,150 non-transferable warrants to acquire 777,150 common shares at a price of \$0.20 per common share for a period of 24 months. Issuance of these warrants was recorded as share issuance cost in the amount of \$103,698 based on a Black Scholes calculation using a risk-free interest rate of 1.01%, volatility of 136.0%, an expected life of two years and no vesting period nor forfeitures.

The following Agent's Warrants were outstanding at June 30, 2015:

Expiry Date	Weighted Average Exercise Price	Number of Shares	Weighted Average Remaining Contractua Life	Weighted Average Fair Value of Warrants
September 27, 2015	\$0.10	300,000	0.49	\$0.07
January 23, 2017	\$0.20	777,150	1.82	\$0.13
Total	\$0.17	1,077,150	1.29	\$0.12

e) Escrowed shares

In accordance with the TSX Venture Exchange CPC policy guidelines, all seed shares issued at a price lower than the price of the Initial Public Offering ("IPO") shares, all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person are held in escrow and will be released over a period of time. At the completion of the QT on January 23, 2015, 1,196,500 of the common shares of the Company held in escrow at December 31, 2014 were released from escrow in accordance with the terms of the escrow agreement. As at June 30, 2015, 10,768,500 common shares are held in escrow and will be released pro-rata to the shareholders in six equal tranches every six months starting July 23, 2015. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2015 the Company's shareholders' equity was \$2,446,346. 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 capital for expansion was mostly from proceeds from the issuance of common shares.

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7. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

At June 30, 2015, the Company's financial instruments consist of cash and cash equivalents, other receivable and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, other receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy. The Company is exposed to a variety of financial instrument related risks. 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 loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high credit quality financial institution.

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 and cash equivalents. 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. As at June 30 2015, the Company had cash and cash equivalents of \$262,924 and had current liabilities of \$135,182.

Interest rate risk

The Company has cash balances and is not exposed to any significant interest rate risk.

Foreign currency exchange risk

Certain purchases of labor, operating supplies and capital assets are determined in \$CFA or in US\$. As a result, currency exchange transactions may impact the costs of the Company's operation. Specifically, the appreciation of the \$CFA and US\$ against the Canadian dollar may result in an increase in operating expense and capital assets in Canadian dollar terms.

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8. SEGMENTED INFORMATION

The Company has two operating segments in two geographic areas: exploration and development of its exploration property in Gabon and the corporate office in Canada. The Company's does not generate any revenue. Segmented disclosure and Company-wide information is as follows:

As at June 30, 2015	Canada	Gabon	Total
Cash	\$ 120,327	\$ 142,597	\$ 262,924
Other assets	948	9,649	10,597
Equipment	16,250	222,873	239,123
Exploration property	-	2,068,884	2,068,884
Total Assets	\$ 137,525	\$ 2,444,003	\$ 2,581,528
Accounts payable and accrued liabilities	\$ 98,865	\$ 36,318	\$ 135,183
Total Liabilities	\$ 98,865	\$ 36,318	\$ 135,183
For the six months ended June 30, 2015			
Net loss	\$ 444,502	\$ 670,254	\$ 1,114,756

At December 31, 2014 and December 31, 2013 all of the Company's activities and assets were in Canada. Operating results for Gabon are only included from the date of acquisition, January 23, 2015 to June 30, 2015.

The Company has significant assets in Gabon, Africa. Although Gabon is generally considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations. The Gabonese government does not require foreign entities to maintain cash reserves in their country.

9. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On July 8, 2015, the Company entered into an agreement with Hall Core (Pty) Ltd. to provide drilling services at the Company's Ndjole property. The Company paid a US\$25,000 deposit at the time of signing the agreement.

On August 14, 2015, the Company secured short-term debt financing in the form of an unsecured US\$200,000 loan from Vantage Corporation Limited. The loan, which may be prepaid by the Company at any time, accrues interest at a rate of Libor + 0.50% per annum and matures on October 30, 2015. The proceeds of the loan will be used primarily to fund ongoing exploration activities at the Company's Ndjole property.