GREATBANKS RESOURCES LTD.

(FORMERLY INVENIO RESOURCES CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2015

Stated in Canadian Funds

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Greatbanks Resources Ltd. (formerly Invenio Resources Corp.):

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the external auditors to the Board.

We draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

March 17, 2016

"Andrew Male"
Andrew Male, CEO

"Ronnie D. Doman"
Ronnie D. Doman, CFO

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Independent Auditor's Report

To the shareholders of Greatbanks Resources Ltd. (formerly Invenio Resources Corp.)

We have audited the accompanying consolidated financial statements of Greatbanks Resources Ltd. (formerly Invenio Resources Corp.) and its subsidiary which comprise the consolidated statements of financial position as at July 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 entity'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 presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Greatbanks Resources Ltd. (formerly Invenio Resources Corp.) and its subsidiary as at July 31, 2015 and 2014 and the results of its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred operating losses since inception and has an accumulated deficit of $10,173,164. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

(signed) "**BDO Canada LLP"**

Chartered Professional Accountants
Vancouver, Canada
March 17, 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 July 2015	31 July 2014
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 43,637**	$ 1,506
Taxes receivable		**14,012**	937
Prepaid amounts and other current assets			6,529
Marketable securities	(7)	**30,000**	
		$ 87,649	$ 8,972
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current Liabilities			
Trade and other payables	(10,14)	**$ 479,360**	$ 449,722
Debentures payable	(8)	**10,426**	-
Loan payable	(9)	**52,500**	-
		542,286	449,722
Non-current liabilities			
Debentures payable	(8)	**-**	19,944
		542,286	469,666
SHAREHOLDERS' DEFICIT			
Share capital	(11)	**8,048,049**	7,647,431
Contributed surplus	(11)	**1,670,478**	1,597,378
Deficit		**(10,173,164)**	(9,705,503)
		(454,637)	(460,094)
		$ 87,649	$ 8,972

The consolidated financial statements were approved by the Board of Directors on March 17, 2016 and were signed on its behalf by:

"Andrew Male"
Andrew Male, Director

"Ronnie D. Doman"
Ronnie D. Doman, Director

 The accompanying notes form an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	**For the year ended July 31 2015**	For the year ended July 31 2014
EXPENSES			
Exploration and evaluation			
Exploration expenditures		**$ -**	$ -
General and administrative			
Management fees	(10)	**301,750**	86,250
Professional fees	(10)	**88,025**	22,046
Office rent	(10)	-	18,000
Bank, interest and other expenses		**4,683**	11,893
Transfer agent and filing fees		**34,589**	10,584
Finance cost	(8,9)	**13,648**	6,611
Travel		**45,590**	4,650
Insurance		**-**	3,201
Foreign exchange loss		**14,151**	2,308
Office		**6,204**	1,880
Advertising and promotion		**-**	1,114
Loss before other items		**(508,640)**	(168,537)
Disposal of equipment		-	(16,019)
Impairment of available-for-sale investments	(7)	**(70,000)**	-
Gain on settlement of debt	(8, 10)	**110,979**	-
Loss before income taxes		**(467,661)**	(184,556)
Income tax expense	(12)	-	4,000
Net Loss and Total Comprehensive Loss for the Year		**$ (467,661)**	$ (188,556)
Basic and Diluted Loss per Common Share		**$ (0.08)**	$ (0.03)
Weighted Average Number of Shares Outstanding		**6,208,366**	5,575,949

GREATBANKS RESOURCES LTD. (FORMERLY INVENIO RESOURCES CORP.)

Canadian Funds

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares		Amount		Contributed Surplus	Deficit		Shareholders' Deficit
BALANCE 01 AUGUST 2013	5,575,845	$	7,647,431	$	1,580,711	(9,516,947)	$	(288,805)
Debenture issuance	–		–		16,667	–		16,667
Net loss for the year	–		–		–	(188,556)		(188,556)
BALANCE AT 31 JULY 2014	5,575,845	$	7,647,431	$	1,597,378	(9,705,503)	$	(460,694)
Shares issued-share for debt (Note 11)	492,500		59,100		-	-		59,100
Shares issued-private placement (Note 11)	6,866,200		343,310		-	-		343,310
Share issue costs	-		(1,792)		-	-		(1,792)
Gain on debt settlement (Note 10)	-		-		73,100	-		73,100
Net loss for the year	-		-		-	(467,661)		(467,661)
BALANCE AT 31 JULY 2015	**12,934,545**	**$**	**8,048,049**	**$**	**1,670,478**	**(10,173,164)**	**$**	**(454,637)**

 The accompanying notes form an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended July 31 2015	For the year ended July 31 2014
OPERATING ACTIVITIES		
Net loss for the year	**$ (467,661)**	$ (188,556)
Items not affecting cash		
Disposal of equipment		16,019
Accretion	**8,833**	6,611
Unrealized foreign exchange loss	**14,151**	990
Impairment of available-for-sale investments	**70,000**	-
Gain on settlement of debt	**(110,979)**	-
	(485,656)	(164,936)
Net change in non-cash working capital		
Taxes receivable	**(13,075)**	7,917
Prepaid amounts and other assets	**6,529**	234
Trade and other payables	**262,815**	123,992
	(229,387)	(32,793)
INVESTING ACTIVITY		
Acquisition of investments	**(100,000)**	-
FINANCING ACTIVITIES		
Proceeds on debenture issuance	-	30,000
Repayment of debentures	**(20,000)**	-
Proceeds on loan payable	**50,000**	-
Shares issued for cash	**343,310**	-
Share issuance cost	**(1,792)**	-
	371,518	30,000
Net increase (decrease) in cash	**42,131**	(2,793)
Cash – beginning of year	**1,506**	4,299
Cash – end of year	**$ 43,637**	$ 1,506

Supplementary Cash Flow Information		
Cash paid for interest	**$ -**	$ -
Cash paid for income taxes	**$ -**	$ -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of Operations and Going Concern

Greatbanks Resources Ltd. (formerly Invenio Resources Corp.) ("the Company") was incorporated in the Province of British Columbia on 20 December 1996. The Company is in the exploration stage and is presently looking for high-grade exploration properties. The Company is listed on the TSX Venture Exchange ("TSX-V"). The Company's Registered and Records Office is at Suite 1010 – 789 West Pender Street, Vancouver, BC.

These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes 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.

The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration programs will result in profitable mining operations. The recoverability of mineral property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests. The Company needs to raise equity financing in the short-term to continue its operations. These conditions indicate a material uncertainty exists that may cast significant doubt upon the Company's ability to continue as a going concern.

For the Company to continue to operate as a going concern it needs the ongoing financial support of its related parties and vendors and must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the classifications used in the statement of financial position and such adjustments could be material.

	31 July 2015	31 July 2014
Working capital (deficit)	$ **(454,637)**	$ **(440,750)**
Accumulated deficit	$ **(10,173,164)**	$ **(9,705,503)**

2) Basis of Preparation – Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and pronouncements of the IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board and effective the for the year ending 31 July 2015. These consolidated financial statements were authorized for issue by the Board of Directors on March 17, 2016.

These consolidated financial statements have been prepared under the historical cost convention as set out in the accounting policies in note 3.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2) Basis of Preparation – Statement of Compliance (cont'd)

The estimates and underlying assumptions are reviewed on an on-going 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 (see Note 4).

3) Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise noted. The Company's principal accounting policies are outlined below:

a. Basis of presentation

These consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company, its wholly-owned subsidiary:

- Invenio Resources USA Inc. ("Invenio USA"), which was incorporated in Alaska, United States of America on 16 May 2011. Invenio USA was dormant during fiscal 2014 and was dissolved with an effective date of 1 January 2014.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

b. Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Both the parent and subsidiary use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

c. Share based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

3) Summary of Significant Accounting Policies (cont'd)

c. Share based payments (cont'd)

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

d) Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

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

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

e) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3) Summary of Significant Accounting Policies (cont'd)

f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

g) Financial instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. 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

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. 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 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 profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-For-Sale Investments

Non-derivative financial assets not included in the other categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available- for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. Any subsequent increase in the fair value of available-for-sale investments are recorded through other comprehensive income. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive income to profit or loss.

Impairment on Financial Assets

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

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade and other payables and debentures payable. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

3) Summary of Significant Accounting Policies (cont'd)

g) Financial instruments (cont'd)

Fair Value

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – fair values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – fair values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and

Level 3 – fair values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company's carrying values of trade and other payables, debentures payable and loan payable approximate their fair values due to the short term nature of those instruments.

h) 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the 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. 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.

i) Financial liabilities and equity

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

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

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

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

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

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is a critical judgments and area involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements

Impairment of Market Securities

The determination of when an investment is impaired requires significant judgment. In making this judgment, the Company evaluates, amongst other things, the duration and extent to which the fair value of the marketable securities is less that its original cost at each reporting period.

5) New standards, interpretations and amendments

Effective August 1, 2014, the Company adopted the following new and revised International Financial Reporting Standards.

a) IAS 24 Related Party Disclosures

The amendments to IAS 24 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 replaced the more detailed disclosure by category required for other key management personnel compensation. The amendments only affect disclosure and were effective for annual periods beginning on or after 1 January 2014. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

b) IFRIC 21 Levies

The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after 1 January 2014. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

5) New standards, interpretations and amendments (cont'd)

c) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

d) Annual improvements and narrow scope amendments

The Annual Improvements 2012-2014 cycle, effective for annual periods beginning on or after January 1, 2016. The IASB also issued a number of narrow scope amendments to certain IFRSs and IASs which are effective for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact these changes are expected to have on its financial statements.

e) IFRS 16 Leases

IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

6) Financial Instruments and Risk Management

Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 July 2015 due to the immediate or short-term maturities of the financial instruments.

Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, available-for-sale investments, trade and other payables, debentures payable and loan payable. Trade and other payables, debentures payable and loan payable approximate their fair value due to their short-term nature.

6) Financial Instruments and Risk Management (cont'd)

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. As at July 31, 2015, the Company's investments, as a percentage of net assets, traded on the TSX Venture Exchange, is 34.23% (2014: Nil). If equity prices on the TSX Venture Exchange had increased or decreased by 10%, with all other factors remaining constant, net assets would have approximately increased (decreased) by $3,000 (2014:Nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate risk on its debenture and loan payable since the rates are fixed.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required. The Company is not exposed to significant foreign currency risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows, this is a significant risk.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities as at July 31, 2015 and 2014:

6) Financial Instruments and Risk Management (cont'd)

Liquidity risk (cont'd)

		Less than 3 months		Between 3 12 months		Over 12 months		Total
As at July 31, 2015								
Trade and other payables	$	479,360	$	-	$	-	$	479,360
Debentures payable (Face value is $12,000, Amortized value is $10,426)		-		12,000		-		12,000
Loan payable		52,500		-		-		52,500
	$	531,860	$	12,000	$	-	$	543,860
As at July 31, 2014								
Trade and other payables	$	449,722	$	-	$	-	$	449,722
Debentures payable (Face value is $36,000, Amortized value is $19,944)		-		3,000		33,000		36,000
	$	449,722	$	3,000	$	33,000	$	485,722

7) Marketable Securities

Available-for-sale investments are recorded at fair value. As of July 31, 2015, available-for-sale investments consisted of 2,000,000 (2014: Nil) common shares and 2,000,000 (2014: Nil) share purchase warrants of Alliance Mining Corp. ("Alliance"), a public company with a symbol of ("ALM") traded on the TSXV Exchange.

During the year ended July 31, 2015, the Company acquired 2,000,000 common shares and 2,000,000 share purchase warrants in Alliance by way of a private placement at a cost of $100,000, with such instruments being classified as available- for-sale investments upon initial recognition. Each Alliance warrant entitles the Company to purchase an additional common share exercisable for five years at a price of $0.05. The Alliance share purchase warrants are not tradable in an active market, have a nominal value and were not allocated a value on initial recognition.

As at July 31, 2015, the fair value based on quoted market prices of the available-for-sale investments was $30,000 and the Company determined that the decline in value of Alliance from inception was significant and, accordingly, recorded an impairment of $70,000 to the consolidated statement of loss.

The fair value of quoted securities is based on published market prices, a level 1 input.

Balance, July 31, 2014	$	-
Acquisition of marketable securities		100,000
Less: impairment		(70,000)
Balance, July 31, 2015	$	30,000

8) Debenture Payable

On 14 January 2014, the Company closed a non-brokered private placement of senior unsecured debentures (the "Debentures") with related parties for gross proceeds of $30,000. The debentures have a minimum face value of $1,000, each bearing interest of 10% per annum over a two year term issued together with bonus warrants. The principal amount and all accrued and unpaid interest shall be due and payable in full on 14 January 2016 (the "Maturity Date"). The Debentures all rank *pari passu* in priority among each of them and the principal and accrued interest may be pre- paid after one year from the date of issuance, in whole or in part (pro-rata), provided that a pre-payment penalty must also be paid to the Debenture holders equal to 75% of the amount of interest that would accrue from the date of pre-payment on the Maturity Date.

During the year ended July 31, 2014, the Debentures were initially discounted to a fair value of $13,333 with the residual amount of $16,667 being attributed to warrants. The Debentures are subsequently measured at amortized cost using the effective interest rate method.

During the year ended July 31, 2015, $20,000 of the $30,000 Debentures were repaid and or settled. The interest due on the Debenture of $3,166 was forgiven and recorded as a gain. Interest expense of $2,815 and accretion expense of $8,333, of which $4,398 relates to the remaining debenture, was recorded as finance cost and all warrants related to this Debenture were cancelled.

		July 31, 2015		July 31, 2014
Fair value of Debentures	**$**	**6,028**	$	13,333
Add: Accretion of interest		**4,398**		6,611
Debenture payable	**$**	**10,426**	$	19,944
Participating in the debenture offering included the following related party				
Amount due to the former President and CEO				
Related parties (Face value $10,000; 2014 - $30,000)	**$**	**10,426**	$	19,944

9) Loan Payable

On April 9, 2015, the Company entered into an unsecured loan agreement due on April 30, 2015, with interest at 5% until April 30, 2015 with a third party. Interest is payable in the form of equity to be granted at 50,000 units where one unit includes one common share of the Company and one share purchase warrant at an exercise price of $0.075 per share, with a maturity of five years. As at July 31, 2015, these units were not yet issued.

The loan is convertible, at the option of the lender, into units at a conversion rate of $0.05 per unit, with each unit comprised of one common share of the Company and one share purchase warrant with an exercise price of $0.08 and a maturity date of three years. The related equity portion of the compound financial instrument was calculated in accordance with IAS 39 and deemed immaterial given the short maturity date of the instrument.

In the event of default, the lender can order collateral as share certificates for no less than 1,200,000 shares of the Company with an accompanying warrant certificate, granting the lender the option to purchase an additional amount of 1,200,000 shares at a fixed price of $0.08 for five years.

Total proceeds received on the loan was $50,000. As at July 31, 2015, the loan has matured and is due and payable.

		31 July 2015		31 July 2014
Principal loan	**$**	**50,000**	$	-
Accrued interest		**2,500**		-
Loan payable	**$**	**52,500**	$	-

Subsequent to July 31, 2015, the Company signed an amended loan agreement for $25,000 of the $50,000 loan principal. The amended terms on the $25,000 loan included the following:

- Repayable on the earlier of December 31, 2016 or on closing of a private placement in excess of an aggregate of $150,000.
- Bears interest at a rate of 12% per annum.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10) Related Party Transactions

Related party transactions and balances not disclosed elsewhere in the financial statements are as follows:

RELATED PARTY DISCLOSURE **Name and Principal Position**		**Remuneration or fees(1) ($)**	**Share based Awards ($)**	**Included in accounts payable ($)**
A company controlled by the former President and	**2015**	-	-	-
CEO – management fees	2014	41,250	-	140,718
A company controlled by the former CFO -	**2015**	14,000	-	36,549
management fees	2014	30,000	-	55,159
A company controlled by the current Chairman -	**2015**	19,500	-	9,500
management fees	2014	15,000	-	9,500
A current director of the Company	**2015**	-	-	3,350
	2014	-	-	3,350
A company controlled by the former corporate	**2015**	-	-	-
Secretary – professional fees	2014	8,645	-	7,131
A company controlled by the former CFO -	**2015**	-	-	-
office rent	2014	18,000	-	-
A company controlled by the current President	**2015**	95,000	-	30,100
and CEO - management fees	2014	-	-	-

(1) Amounts disclosed were paid or accrued to the related party during the years ended July 31, 2015 and 2014.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. During the year ended July 31, 2015, aggregate remuneration of $280,500 (2014 – $94,895) was paid or accrued to key management personnel. Share-based payments of $Nil (2014 – $Nil) were granted to key management personnel.

Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment.

During the year ended July 31, 2015, two parties, the former President and CEO and the current Chairman agreed to settle outstanding management fees payable of $240,013 for 1,970,000 common shares of the Company valued at $59,100 on the date of share issuance. The total excess of debt over the fair value of shares is $180,913. An amount of $107,813 was recorded as a gain on settlement of debt in the Statement of Comprehensive Loss and the remaining $73,100, was recorded to contributed surplus as the Chairman is a beneficial shareholder of the Company.

11) Share Capital

a) Authorized

The Company is authorized to issue 100,000,000 common shares without par value.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended July 31, 2015, the Company received $341,518, net of share issuance costs of $1,792, in respect of a private placement of 6,866,200 common shares at $0.05 for total gross proceeds of $343,310. In connection with the private placement, the Company paid finder's fees of $800 and filing fees of $992. The Company also issued 16,000 finder's warrants to finders who introduced subscribers for this offering to the Company. These finder’s warrants had nominal value and not recorded as share issuance cost or contributed surplus. Each finder's warrant is exercisable into one common share of the Company, at a price of $0.05 per share for a period of 12 months.

During the year, the Company consolidated its common shares on a 1 : 4 basis. All per share and share figures including options and warrants have been retrospectively restated.

b) Summary of stock option activity

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant, both in aggregate and in any one-year period. The maximum number of common shares reserved for issue to any one person other than employees conducting investor relations activities and any consultants under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant, both in aggregate and in any one-year period.

The number of options granted to all persons who are consultants or employed to perform investor relations activities shall not exceed 2% of the then issued and outstanding shares of the Company. Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company.

The stock option activity during the fiscal years ended July 31, 2015 and July 31, 2014 is summarized as follows:

STOCK OPTION ACTIVITY	July 31 2015	Weighted average exercise price	July 31 2014	Weighted average exercise price
Balance – beginning of period	**316,667**	**$ 1.00**	401,667	$ 1.08
Cancelled	**(178,125)**	**0.96**	(75,000)	1.12
Expired	**(16,667)**	**1.92**	(10,000)	3.00
Balance – end of period	**121,875**	**$ 0.94**	316,667	$ 1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11) Share Capital (cont'd)

b) Summary of stock option activity (cont'd)

Details of stock options outstanding as at July 31, 2015 and July 31, 2014 are as follows:

Expiry Date		Exercise Price	July 31 2015		Exercise Price	July 31, 2014
October 2, 2014	**$**	**-**	**-**	$	1.92	16,667
December 15, 2015		**1.00**	**109,375**		1.00	275,000
November 8, 2016		**0.44**	**12,500**		0.44	25,000
			121,875			316,667

The outstanding options have a weighted-average exercise price of $0.94 (2014 - $1.00) and the weighted-average remaining life of the options is 0.47 (2014 – 1.38) years. As at July 31, 2015, 121,875 of the outstanding options had vested and are exercisable. The 109,375 options expired unexercised subsequent to year end.

c) Share based payments

No stock options were issued to directors, officers, employees, or consultants during the years ended July 31, 2015 or 2014.

d) Warrants

On January 14, 2014, the Company closed a non-brokered private placement of senior unsecured debentures. Subscribers received 2,000 non-transferable share purchase warrants ("Bonus Warrants") for every $1,000 principal amount of debentures they purchased. Each Bonus Warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per common share for a period of 24 months from the date of issue.

Warrant activity during the fiscal years ended July 31, 2015 and July 31, 2014 is summarized as follows:

WARRANT ACTIVITY	July 31 2015		Weighted average exercise price	July 31 2014		Weighted average exercise price
Balance – beginning of year	**60,000**	**$**	**0.20**	60,000	$	0.20
Cancelled	**(40,000)**		**0.20**	-		-
Issued – finders fees	**16,000**		**0.05**	-		-
Issued – private placement	**6,866,200**		**0.08**	-		-
Balance – end of year[(i)]	**6,902,200**	**$**	**0.08**	60,000	$	0.20

(i) The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise of the warrants.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11) Share Capital (cont'd)

c) Warrants (cont'd)

Expiry Date	Exercise Price	July 31 2015	Exercise Price	July 31 2014
January 14, 2016	**$ 0.20**	**20,000**	$ 0.20	60,000
July 10, 2016	**$ 0.05**	**16,000**		-
July 3, 2018	**$ 0.08**	**6,866,200**		-
		6,902,200		60,000

Subsequent to July 31, 2015, 20,000 warrants at an exercise price of $0.20 expired unexercised.

	July 31 2015	July 31 2014
The outstanding warrants have a weighted-average exercise price of:	**$ 0.08**	$ 0.20
The weighted average remaining life of the outstanding warrants is:	**2.91**	-

d) Nature and purpose of equity reserves

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus' and 'Deficit'.

'Contributed Surplus' is used to recognize the fair value of stock option grants and share purchase warrants prior to exercise.

'Deficit' is used to record the Company's accumulated deficit from losses each year.

12) Income Taxes

	July 31, 2014	July 31, 2014
Current tax expense	$ -	$ 4,000
	$ -	$ 4,000

Taxation in the Company's operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12) Income Taxes (cont'd)

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		July 31, 2015		July 31, 2014
Loss before tax per the accounts	$	**(467,661)**	$	(184,556)
Income taxed at local statutory rates – 26.00% (2014 – 26.00%)		**(122,000)**		(48,000)
Foreign income taxed at other than Canadian statutory rates		**1,000**		1,000
Non-deductible expenses		**9,000**		5,000
Expiry of losses		**46,000**		52,000
Impact of (over) under provision in prior year		**3,000**		18,000
Foreign exchange		**-**		(2,000)
Change in unrecognized deferred tax assets		**63,000**		(30,000)
Total income tax (recovery) expense	$	**-**	$	4,000

The Canadian combined Federal and British Columbia tax rates remained the same at 26%.

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities as at 31 July 2015 and 2014 are summarized as follows:

		July 31, 2015		July 31, 2014
Non-capital losses	$	1,092,000	$	1,031,000
Un-deducted financing costs		-		8,000
Marketable securities		9,000		-
Equipment		3,000		3,000
Exploration and development expenses		1,042,000		1,041,000
Total deferred tax asset		2,146,000		2,083,000
Unrecognized deferred tax assets		(2,146,000)		(2,083,000)
Net deferred tax asset	$	-	$	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12) Income Taxes (cont'd)

As at 31 July 2015, the Company has estimated non-capital losses for Canada of $4,201,000 that may be carried forward to reduce taxable income derived in future years. Canadian non-capital losses are summarized below:

Year of Expiry	Taxable Losses
2026	85,000
2027	361,000
2028	785,000
2029	529,000
2030	230,000
2031	655,000
2032	495,000
2033	319,000
2034	216,000
2035	526,000
Total	$ 4,201,000

The total benefits of these carry-forward non-capital loss, and deductible temporary differences has not been recognized in these financial statements as it is not considered probably that sufficient future taxable profit will allow the deferred tax assets to be recovered.

13) Segmented Disclosure

The following table provides segmented disclosure on assets and liabilities as reviewed by management regularly:

Rounded	Canada	United States	Total
July 31, 2014			
Current assets	**$ 9,000**	**$ -**	**$ 9,000**
Liabilities			
Current liabilities	**412,000**	**38,000**	**450,000**
Non-current liabilities			
Debenture payable	**20,000**	**-**	**20,000**
July 31, 2015			
Current assets	**$ 88,000**	**$ -**	**$ 88,000**
Liabilities			
Current liabilities	**474,000**	**68,000**	**542,000**

14) Trade and other payables

		July 31, 2015		July 31, 2014
Trade payables	$	**302,128**	$	203,672
Other payables		**47,133**		37,323
Related party payables (Note 10)		**130,099**		208,727
	$	**479,360**	$	449,722

15) Capital Disclosure

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or mineral property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the year ended 31 July 2015.

16) Subsequent Event

Subsequent to July 31, 2015, the Company's shares were cease-traded by the TSX Venture Exchange as the Company has not filed its audited year-end financial statements within the prescribed period.