ACADEMY EXPLORATIONS LIMITED

Financial Statements

April 30, 2015

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Academy Explorations Limited

We have audited the accompanying financial statements of Academy Explorations Limited (the "Company"), which comprise the statement of financial position as at April 30, 2015 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 thefinancial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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Other Matters

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

The financial statements of the Company as at April 30, 2014 and for the year then ended were audited by other auditors who expressed an opinion without reservation under Canadian generally accepted auditing standards on those statements in their report dated June 8, 2015.

Zeifmans LLP

Toronto, Ontario
August 28, 2015

Chartered Accountants
Licensed Public Accountants

ACADEMY EXPLORATIONS LIMITED

(Incorporated Under the Laws of Ontario)

Statement of Financial Position

As at April 30, 2015

(Expressed in Canadian Dollars)

	2015	2014
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 233,912**	$ 199,476
Marketable securities *(note 3)*	**133,685**	234,932
TOTAL ASSETS	**$ 367,597**	$ 434,408
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities *(note 4)*	**$ 8,062**	$ 9,867
TOTAL LIABILITIES	**8,062**	9,867
SHAREHOLDERS' EQUITY		
Share capital *(note 5)*	**1,165,711**	1,165,711
Deficit	**(806,176)**	(741,170)
TOTAL SHAREHOLDERS' EQUITY	**359,535**	424,541
	$ 367,597	$ 434,408

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

See accompanying notes to financial statements

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ACADEMY EXPLORATIONS LIMITED

Statement of Comprehensive Loss

For the Year Ended April 30, 2015

(Expressed in Canadian Dollars)

	2015	2014
REVENUE	**$ -**	$ -
EXPENSES		
Salaries and wages *(note 4)*	**24,000**	24,000
Office	**15,960**	19,937
Professional fees	**6,323**	8,118
Directors fees *(note 4)*	**1,500**	1,500
Bank charges	**475**	-
	48,258	53,555
LOSS FROM OPERATIONS	**(48,258)**	(53,555)
OTHER INCOME (LOSS)		
Interest income	**1,530**	2,816
Dividend income	**1,220**	-
Unrealized gain (loss) on marketable securities	**(3,833)**	44,610
Loss on sale of marketable securities	**(15,665)**	-
	(16,748)	47,426
NET LOSS AND COMPREHENSIVE LOSS	**$ (65,006)**	$ (6,129)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**1,567,234**	1,567,234
BASIC AND FULLY DILUTED LOSS PER SHARE	**$ (0.04)**	$ -

See accompanying notes to financial statements

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ACADEMY EXPLORATIONS LIMITED

Statement of Changes in Shareholders' Equity

For the Year Ended April 30, 2015

(Expressed in Canadian Dollars)

	Share Capital	Deficit	Total Shareholders' Equity
Balance at May 1, 2013	$ 1,165,711	$ (735,041)	$ 430,670
Loss for the year	-	(6,129)	(6,129)
Balance at April 30, 2014	**1,165,711**	**(741,170)**	**424,541**
Loss for the year	**-**	**(65,006)**	**(65,006)**
Balance as at April 30, 2015	**$ 1,165,711**	**$ (806,176)**	**$ 359,535**

See accompanying notes to financial statements

ACADEMY EXPLORATIONS LIMITED

Statement of Cash Flows

For the Year Ended April 30, 2015

(Expressed in Canadian Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (65,006)	$ (6,129)
Items not affecting cash:		
Loss on sale of marketable securities	15,665	-
Unrealized loss (gain) on marketable securities	3,833	(44,610)
	(45,508)	(50,739)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	(1,805)	2,714
Cash flows from operating activities	(47,313)	(48,025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of marketable securities	219,249	-
Purchases of marketable securities	(137,500)	-
Cash flows from investing activities	81,749	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	34,436	(48,025)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	199,476	247,501
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 233,912	$ 199,476
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	$ 1,530	$ 2,816
Dividends received	$ 1,220	$ -

See accompanying notes to financial statements

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1. **DESCRIPTION OF BUSINESS**

Academy Explorations Limited (the "Company") was incorporated under the Business Corporations Act of Ontario on July 20, 1970. The Company is a junior natural resource company and has adopted a strategy to stay liquid while searching for an appropriate opportunity with a private corporation that is looking to expand its operations by acquiring control of, or investment capital from, a publicly owned company such as the Company.

The head office of the Company is located at 557 Melita Crescent, Toronto Ontario, M6G 37Y.

The ability of the Company to continue as a going concern and realize the carrying value of its assets is dependent upon the ability to achieve sales levels adequate to supporting the Company's cost structure and the success of its investments. It is not possible at this time to predict with assurance the outcome of these investments.

Given the Company has yet to achieve sales to support the Company's cost structure, and has not generated any income nor cash flows from operations, there is significant doubt regarding the Company's ability to continue as a going concern. Any adjustments to carrying value of assets and liabilities that would be requried were it determined that the Company is not a going concern have not been made.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Statement of compliance with International Financial Reporting Standards ("IFRS") -

These financial statements are prepared in accordance International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, as set out in the Chartered Professional Accountants Canada Handbook.

The financial statements for the year ended April 30, 2015 were approved and authorized for issue by the shareholders on August 28, 2015.

(b) Basis of presentation -

The financial statements have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss ("FVTPL") that have been accounted for based on fair value, and are presented in Canadian dollars, the Company's functional and presentation currency.

(c) Cash and cash equivalents -

Cash and cash equivalents include cash on account and demand deposits.

(d) Revenue recognition -

Gains (losses) on marketable securities are recognized as they are incurred. Interest income is recognized on an accrual basis. Dividend income is recognized on the ex-dividend date.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(e) Loss per share -

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the weighted average number of common and potential common shares outstanding during the year. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options using the treasury method. Currently, the Company has no potential common shares outstanding.

(f) Income taxes -

Income tax expense comprises current and deferred tax. Income tax expense is recognized in earnings except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in the statement in which the related item is recognized.

Current tax is the tax expected to be payable on the taxable profit for the year (calculated using tax rates enacted or substantively enacted at the reporting date) and any adjustment to tax payable in respect of previous fiscal years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated using the tax rates expected to apply based on tax rates and laws enacted, or substantively enacted in the periods in which the assets will be realized or the liabilities settled, by the reporting date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and are levied by the same taxation authority, and when the Company has a legal right to offset.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is improbable that the related tax benefit will be realized.

(g) Significant judgments, estimates and assumptions -

The preparation of financial statements requirements management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The key areas where management has made judgments or estimates, often as a result of matters that are inherently uncertain, include accrued liabilities.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(h) Financial instruments -

Financial instruments are classified into one of five categories: FVTPL; held-to-maturity (“HTM”); loans and receivables; available for sale (“AFS”); or other financial liabilities.

The classification is determined at initial recognition and depends on the nature and purpose of the financial instruments.

(i) FVTPL financial instruments -

Financial assets and financial liabilities at fair value through profit and loss include assets and liabilities that are held for trading or designated upon initial recognition as FVTPL. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. Financial assets and liabilities classified as FVTPL are measured at fair value, and are based on bid prices for long instruments and ask prices for short instruments, with changes in fair values recognized in net income in the statement of comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset or liability. Currently, the Company classifies its cash and marketable securities as FVTPL.

(ii) HTM financial instruments -

HTM financial instruments having a fixed maturity date and fixed or determinable payments, where the Company intends and has the ability to hold the financial instrument to maturity, are classified as HTM and measured at amortized cost using the effective interest rate method. Any gains and losses arising from the sale of HTM financial instruments are included in net income in the statement of income and comprehensive income. Currently, the Company has no HTM financial instruments.

(iii) Loans and receivables -

Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are included in net income in the statement of income and comprehensive income. Currently, the Company has no loans and receivables.

(iv) AFS financial instruments -

AFS financial instruments are those financial assets that are not classified as FVTPL, HTM or loans and receivables and are carried at fair value. Any gains or losses arising from the change in fair value are recorded in other comprehensive income. AFS financial instruments are written down to fair value through other comprehensive income whenever it is necessary to reflect other-than-temporary impairment. Cumulative gains and losses arising upon the sale of the instrument are reclassified from equity to net income as a reclassification adjustment. Currently, the Company has no AFS financial instruments.

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2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(v) Other financial liabilities -

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 in net income in the statement of comprehensive loss. The Company has classified accounts payable and accrued liabilities as other financial liabilities.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial instruments recorded at fair value in the financial statements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Impairment of financial instruments

Financial assets are assessed for indicators of impairment at each financial position reporting date. 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 asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include: significant financial difficulty of the issuer or counterparty, default or delinquency in interest or principal payments, or it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Certain categories of financial assets, such as amounts receivable, that are assessed to not be impaired individually are subsequently assessed for impairment on a collective bases.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance accounts are recognized in net income in the statement of comprehensive loss. In a subsequent period, if 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 net income in the statement of comprehensive 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.

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Pending accounting changes -

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management has not yet determined the impact of the amendments on the Company's financial statements.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018. Application of the standard is mandatory and early adoption is permitted. Management has not yet determined the impact of the amendments on the Company's financial statements.

In December 2014, the IASB issued amendments to IAS 1 – Presentation of Financial Statements ("IAS 1") to improve the effectiveness of presentation and disclosure in financial reports with the objective of reducing immaterial note disclosure. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. Management has not yet determined the impact of the amendments on the Company's financial statements.

3. MARKETABLE SECURITIES

	2015	2014
Canadian Imperial Bank of Commerce 3.75% non-cumulative Series 43 preferred shares	**$ 36,165**	$ -
Royal Bank of Canada 3.60% non-cumulative Series BD preferred shares	**50,000**	-
Toronto Dominion Bank 3.75% non-cumulative Series 5 preferred shares	**47,520**	-
Sprott Small Cap Hedge Fund	**-**	234,932
	$ 133,685	$ 234,932

(Expressed in Canadian Dollars)

4. RELATED PARTY TRANSACTIONS

In the year ended April 30, 2015, the Company incurred $24,500 ($24,500 in 2014) in compensation to executive officers included in salaries and wages and directors fees in the statement of comprehensive loss. As at April 30 2015, $2,000 remained payable and was included in accounts payable and accrued liabilities ($2,000 as at April 30, 2014).

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of special shares and an unlimited number of common shares. As at April 30, 2015 and 2014 no special shares have been issued. Common shares issued and fully paid are as follows:

		2015	2014
Issued:			
1,567,234	Common shares	**$ 1,165,711**	$ 1,165,711

6. INCOME TAXES

The income tax recovery recorded differs from the income tax obtained by applying the statutory Canadian rate of 46.17% (2014 - 46.17%) to loss before income taxes for the year and is reconciled as follows:

	2015	2014
Loss before income taxes	**$ (65,006)**	$ (6,129)
Estimated income tax recovery	**$ (30,013)**	$ (2,830)
Increase (decrease) resulting from:		
Tax rate differences	**12,786**	1,206
Non-taxable portion of gain (loss) on marketable securities	**(2,583)**	5,911
Income tax benefits not recognized	**19,810**	-
Income tax benefits recognized	**-**	(4,287)
Effective tax recovery	**$ -**	$ -

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(Expressed in Canadian Dollars)

6. **INCOME TAXES** *(continued)*

The deferred taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Taxes are calculated at the active business rate as it is at that rate that those losses could be utilized. Significant components of the Company's deferred tax assets (liabilities) are as follows:

	2015	2014
Asset		
Non-capital loss carryforwards	$ 102,312	$ 91,241
Unrealized loss on marketable securities	508	-
	102,820	91,241
Liabilitiy		
Unrealized gain on marketable securities	-	5,911
	102,820	85,330
Less valuation allowance	102,820	85,330
Deferred income tax asset	$ -	$ -

The Company has not recorded a deferred tax asset related to these carry forward losses and temporary differences as it is not probable that future taxable income will be available against which these unused tax attributes can be utilized.

The Company has $386,085 of non-capital losses available for deduction against future taxable income expiring as follows:

Expiry Year	Amount
2026	$ 43,168
2027	39,616
2028	34,084
2029	42,857
2030	45,852
2031	29,014
2032	49,209
2033	13,618
2034	46,889
2035	41,778
	$ 386,085

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(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

	2015	2014
Financial assets		
FVTPL, measured at fair value:		
Cash and cash equivalents	**$ 233,912**	$ 199,476
Marketable securities	**$ 133,685**	$ 234,932
Financial liabilities		
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**$ 8,062**	$ 9,867

The carrying values of the Company's financial instruments approximate their fair values. At the current time the Company categorizes all of its financial instruments measured at fair value to be Level 1.

Risk Management **-**

Liquidity risk -

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they become due, as well as ensuring adequate funds exist to support business strategies and operational growth. The current assets reflected on the statement of financial position are highly liquid. Additional information regarding the Company's capital structure and capital management is discussed in note 8.

Market risk -

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instruments or its issue, or factors affecting similar financial instruments traded in the market. The Company is exposed to market risk to the extent of its holdings in marektable securities.

Price sensitivity

As at April 30, 2015, had the prices of the marketable securities held by the Company increased or decreased by 5%, with all other variables held constant, comprehensive loss would have been decreased by approximately $6,700 or increased by approximately $6,700, respectively. In practice, the actual trading result may differ from this analysis and the difference may be immaterial.

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8. CAPITAL MANAGEMENT

The Company's business requires capital for funding current and future operations. The Company defines capital to include shareholder's equity, which is comprised of share capital and deficit. Capital as of April 30, 2015 is as follows:

	Carrying amount	As a % of capital
Stated capital	$ 1,165,711	324 %
Deficit	(806,176)	(224)%
	$ 359,535	100 %

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