

## **TOP STRIKE RESOURCES CORP.**

**Condensed Interim Financial Statements (unaudited)**

**Three months ended July 31, 2016 and 2015**

(Expressed in Canadian dollars)

### **Notice**

Top Strike Resources' auditors, K.R. Margetson Ltd., have not reviewed the condensed interim financial statements.

**TOP STRIKE RESOURCES CORP.**

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

(unaudited)

| As at                                                 | Notes | July 31,<br>2016 | April 30,<br>2016 |
|-------------------------------------------------------|-------|------------------|-------------------|
| <b>ASSETS</b>                                         |       |                  |                   |
| <b>Current assets</b>                                 |       |                  |                   |
| Cash and cash equivalents                             | \$    | 167,044          | \$ 166,931        |
| Other receivables                                     |       | 1,498            | 1,016             |
| Prepays                                               |       | 833              | 833               |
|                                                       |       | 169,375          | 168,780           |
| <b>TOTAL ASSETS</b>                                   | \$    | 169,375          | \$ 168,780        |
| <b>LIABILITIES</b>                                    |       |                  |                   |
| <b>Current liabilities</b>                            |       |                  |                   |
| Accounts payable and accrued liabilities              | \$    | 16,151           | \$ 11,823         |
|                                                       |       | 16,151           | 11,823            |
| <b>SHAREHOLDERS' EQUITY</b>                           |       |                  |                   |
| Share capital                                         |       | 17,757,383       | 17,757,383        |
| Contributed surplus                                   |       | 33,256           | 33,256            |
| Deficit                                               |       | (17,637,415)     | (17,633,682)      |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                     |       | 153,224          | 156,957           |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b> | \$    | 169,375          | \$ 168,780        |

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

See accompanying notes to the condensed interim financial statements.

**TOP STRIKE RESOURCES CORP.**

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(unaudited)

| For the three months ended July 31                          |       | 2016              | 2015       |
|-------------------------------------------------------------|-------|-------------------|------------|
|                                                             | Notes |                   |            |
| <b>Expenses</b>                                             |       |                   |            |
| Office and miscellaneous                                    | \$    | 9                 | \$ 25      |
| Professional fees                                           |       | 363               | 1,300      |
| Corporate communication                                     |       | 3,730             | 3,920      |
|                                                             |       | <b>4,102</b>      | 5,245      |
| <b>Other income</b>                                         |       |                   |            |
| Finance income                                              |       | 369               | 512        |
|                                                             |       | <b>369</b>        | 512        |
| <b>Loss and comprehensive loss for the period</b>           | \$    | <b>3,733</b>      | \$ 4,733   |
| <b>Basic loss per common share</b>                          | 3 \$  | <b>(0.00)</b>     | \$ (0.00)  |
| <b>Weighted average number of common shares outstanding</b> |       | <b>16,431,428</b> | 16,431,428 |

See accompanying notes to the condensed interim financial statements.

**TOP STRIKE RESOURCES CORP.**

## Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(unaudited)

|                                               | Shares<br>outstanding |           | Share capital     |           | Contributed<br>surplus |           | Deficit             |           | Total<br>shareholders'<br>equity |
|-----------------------------------------------|-----------------------|-----------|-------------------|-----------|------------------------|-----------|---------------------|-----------|----------------------------------|
| <b>Balance at May 1,</b>                      |                       |           |                   |           |                        |           |                     |           |                                  |
| <b>2016</b>                                   | <b>16,431,428</b>     | <b>\$</b> | <b>17,757,383</b> | <b>\$</b> | <b>33,256</b>          | <b>\$</b> | <b>(17,633,682)</b> | <b>\$</b> | <b>156,957</b>                   |
| Loss and comprehensive<br>loss for the period | -                     |           | -                 |           | -                      |           | (3,733)             |           | (3,733)                          |
| <b>Balance at July 31,</b>                    |                       |           |                   |           |                        |           |                     |           |                                  |
| <b>2016</b>                                   | <b>16,431,428</b>     | <b>\$</b> | <b>17,757,383</b> | <b>\$</b> | <b>33,256</b>          | <b>\$</b> | <b>(17,637,415)</b> | <b>\$</b> | <b>153,224</b>                   |
| <b>Balance at May 1,</b>                      |                       |           |                   |           |                        |           |                     |           |                                  |
| <b>2015</b>                                   | 16,431,428            | <b>\$</b> | 17,757,383        | <b>\$</b> | 33,256                 | <b>\$</b> | (17,613,793)        | <b>\$</b> | 176,846                          |
| Loss and comprehensive<br>loss for the period | -                     |           | -                 |           | -                      |           | (4,733)             |           | (4,733)                          |
| <b>Balance at July 31,</b>                    |                       |           |                   |           |                        |           |                     |           |                                  |
| <b>2015</b>                                   | 16,431,428            | <b>\$</b> | 17,757,383        | <b>\$</b> | 33,256                 | <b>\$</b> | (17,618,526)        | <b>\$</b> | 172,113                          |

See accompanying notes to the condensed interim financial statements.

**TOP STRIKE RESOURCES CORP.**

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

(unaudited)

| For the three months ended July 31                        | 2016              | 2015              |
|-----------------------------------------------------------|-------------------|-------------------|
| <b>Operating activities</b>                               |                   |                   |
| Loss for the period                                       | \$ (3,733)        | \$ (4,733)        |
| Changes in non-cash working capital:                      |                   |                   |
| Other receivables                                         | (482)             | 533               |
| Accounts payable and accrued liabilities                  | 4,328             | 5,513             |
| Net cash used in operating activities                     | 113               | 1,313             |
| <b>Change in cash and cash equivalents for the period</b> | <b>113</b>        | <b>1,313</b>      |
| <b>Cash and cash equivalents, beginning of period</b>     | <b>166,931</b>    | <b>183,095</b>    |
| <b>Cash and cash equivalents, end of period</b>           | <b>\$ 167,044</b> | <b>\$ 184,408</b> |

See accompanying notes to the condensed interim financial statements.

# TOP STRIKE RESOURCES CORP.

Notes to Condensed Interim Financial Statements  
For the three months ended July 31, 2016 and 2015  
(Expressed in Canadian dollars)  
(unaudited)

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## 1. Nature and continuance of operations

Top Strike Resources Corp. (the "Company") currently has no activity and to date has not earned significant revenues. The Company has evaluated several oil and gas opportunities, but has not reached the point where the Company can enter into a binding letter of intent. The Company has primarily focused on international and domestic oil and gas projects but has recently expanded its scope to consider other industries as well. Management will continue to seek projects that will provide the best opportunities to increase shareholder value.

The Company trades under the symbol "TSR.H" on the NEX board, which is a separate board of the TSX Venture Exchange. The Company's principal place of business is located in Calgary, Alberta. The address of the Company's registered office is Suite 1000, Livingston Place West, 250 2nd Street SW, Calgary, Alberta, T2P 0C1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Although the Company had working capital of \$153,224 as at July 31, 2016 (April 30, 2016 - \$156,957), it had not generated any revenues and had accumulated losses of \$17,637,415 (April 30, 2016 - \$17,633,682) which creates doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

## 2. Basis of presentation

### a. Statement of compliance

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") in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed interim financial statements do not include all the information required for full annual financial statements.

These condensed interim financial statements are stated in Canadian dollars and have been prepared following the same accounting policies and methods of computation as the financial statements for the year ended April 30, 2016.

The disclosures provided below are incremental to those included with the annual financial statements and certain disclosures, which are normally required to be included in the notes to the annual financial statements, have been condensed or omitted. These condensed interim financial statements should be read in conjunction with the financial statements and notes thereto in the Company's annual filings for the year ended April 30, 2016.

The condensed interim consolidated financial statements were approved by the board of directors of Top Strike on September 15, 2016.

### b. Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention.

### c. Functional currency

The Canadian dollar is the Company's functional currency and as such, these condensed interim financial statements have been reported on a Canadian dollar basis.

## TOP STRIKE RESOURCES CORP.

Notes to Condensed Interim Financial Statements  
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### 3. Per share amounts

Basic loss per share is calculated based on net loss and the weighted-average number of common shares outstanding. The Company has recorded a loss in each of the years presented and therefore any addition to basic shares is anti-dilutive.

| Three months ended July 31                                      | 2016       | 2015       |
|-----------------------------------------------------------------|------------|------------|
| Loss for the period                                             | \$ 3,733   | \$ 4,733   |
| Weighted average number of common shares<br>(basic and diluted) | 16,431,428 | 16,431,428 |
| Basic and diluted loss per share                                | \$ 0.00    | \$ 0.00    |

At July 31, 2016, there were 900,000 (April 30, 2016 – 900,000) stock options considered anti-dilutive.

### 4. Related party transactions

The Company paid or accrued accounting fees of \$363 (July 31, 2015 - \$1,300) to a company controlled by an officer of the Company. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at July 31, 2016, accounts payable and accrued liabilities included amounts payable to related parties totaling \$700 (July 31, 2015 - \$4,300) for accounting fees.

### 5. Financial risk management

As at July 31, 2016, the carrying values of cash, other receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

#### Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### Credit risk

The Company's credit risk is primarily attributable to cash and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of a chequing account and guaranteed investment certificates at a reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in other receivables consist of amounts due from government agencies and a chartered bank. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for receivables by standard credit checks. At July 31, 2016, the Company's exposure to credit risk is minimal.

## TOP STRIKE RESOURCES CORP.

Notes to Condensed Interim Financial Statements  
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### 5. Financial risk management (continued)

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2016, the Company had a cash and cash equivalents balance of \$167,044 (April 30, 2016 - \$166,931) to settle current liabilities of \$16,151 (April 30, 2016 - \$11,823).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

#### *Market risk*

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

##### a) Interest risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank. As of July 31, 2016, the Company had \$161,620 in investment-grade short-term deposit certificates plus accrued interest of \$1,137.

##### b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

##### c) Price risk

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