

GOLDEN CARIBOO RESOURCES LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

DECEMBER 31, 2015

These unaudited condensed interim financial statements of Golden Cariboo Resources Ltd. for the three months ended December 31, 2015 have been prepared by management and approved by the Board of Directors. These unaudited condensed interim financial statements have not been reviewed by the Company's external auditors.

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	December 31, 2015	September 30, 2015 (audited)
ASSETS		
Current		
Cash	\$ 889	\$ 955
Receivables and prepaids	<u>3,357</u>	<u>3,097</u>
	4,246	4,052
Investments (Note 3)	<u>390,492</u>	<u>382,235</u>
	<u>\$ 394,738</u>	<u>\$ 386,287</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 7 and 10)	\$ 445,605	\$ 480,064
Shareholders' equity (deficiency)		
Share capital (Note 6)	11,612,480	11,612,480
Reserves	1,701,997	1,701,997
Accumulated other comprehensive income	45,057	-
Deficit	<u>(13,410,401)</u>	<u>(13,408,254)</u>
	<u>(50,867)</u>	<u>(93,777)</u>
	<u>\$ 394,738</u>	<u>\$ 386,287</u>

Nature and continuance of operations (Note 1)
Contingency (Note 8)

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

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	2015	2014
EXPENSES		
Consulting fees	\$ -	\$ 8,592
Management fees (Note 10)	-	15,000
Office and miscellaneous	84	5,574
Professional fees	4,617	5,000
Rent (Note 10)	-	2,165
Public relations and advertising	-	13,814
Salaries and benefits (Note 10)	-	5,639
Transfer agent and filing fees	592	1,316
Travel, meals and entertainment	-	15,865
	<u>(5,297)</u>	<u>(72,965)</u>
Gain on sale of marketable securities (Note 3)	<u>3,150</u>	<u>-</u>
Loss for the period	\$ (2,147)	\$ (72,965)
OTHER COMPREHENSIVE INCOME		
Unrealized gain on investments (Note 3)	<u>45,057</u>	<u>148,591</u>
Comprehensive net income for the period	\$ 42,910	\$ 75,626
Basic and diluted loss per common share	\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding	13,850,680	13,856,930

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

GOLDEN CARIBOO RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

	<u>Share Capital</u>						
	Common Shares	Amount	Deficit	Accumulated Other Comprehensive Income	Reserves	Total Shareholders' Equity	
Balance, September 30, 2014	13,856,930	\$ 11,612,480	\$ (13,010,720)	\$ -	\$ 1,701,997	\$ 303,757	
Loss for the period	-	-	(72,965)	-	-	(72,965)	
Change in value of investments	-	-	-	148,591	-	148,591	
Balance, December 31, 2014	13,856,930	\$ 11,612,480	\$ (13,083,685)	\$ 148,591	\$ 1,701,997	\$ 379,383	
Balance, September 30, 2015	13,850,680	\$ 11,612,480	\$ (13,408,254)	\$ -	\$ 1,701,997	\$ (93,777)	
Loss for the period	-	-	(2,147)	-	-	(2,147)	
Change in value of investments	-	-	-	45,057	-	45,057	
Balance, December 31, 2015	13,850,680	\$ 11,612,480	\$ (13,410,401)	\$ 45,057	\$ 1,701,997	\$ (50,867)	

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

GOLDEN CARIBOO RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (397,534)	\$ (72,965)
Items not affecting cash:		
Gain on sale of marketable securities	(3,565)	-
Changes in non-cash working capital items:		
Receivables and prepaids	50,860	1,188
Accounts payable and accrued liabilities	<u>(672)</u>	<u>(16,288)</u>
Net cash used in operating activities	<u>(172,246)</u>	<u>(88,065)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from sale of investment	<u>48,531</u>	<u>-</u>
Net cash provided by investing activity	<u>48,531</u>	<u>-</u>
Change in cash during the period	(123,715)	(88,065)
Cash, beginning of period	<u>124,670</u>	<u>124,670</u>
Cash, end of period	<u>\$ 955</u>	<u>\$ 36,605</u>

Supplemental disclosure with respect to cash flows:

There were no cash payments of taxes or interest for the periods presented.

There were no non-cash transactions during the three months ended December 31, 2014 and 2015

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

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2015
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in under the Canada Business Corporations Act on October 6, 1988 and has continued as a company under the Business Corporations Act of British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The Company's head office, principal address and registered records office is located at PO Box 48778 St. Bentall Centre, Vancouver, British Columbia, Canada.

The Company's interim condensed unaudited financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast doubt on the validity of this assumption. The Company has incurred ongoing losses and has an accumulated deficit. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended September 30, 2015.

Approval of the financial statements

These unaudited condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 29, 2016.

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2015
(Expressed in Canadian Dollars)
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2. BASIS OF PRESENTATION (continued)

New or revised accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective and have not been applied in preparing these financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.
- iii) The recorded value of provision. This amount represents a best estimate of the probable amount payable taking into account available evidence including past history of payments and uncertainty of outflow of future resources.

3. INVESTMENTS

Investments consists of common shares of Barkerville Gold Mines Ltd. (“Barkerville”), a former related party through common directors and officers. The directors and officers ceased to be related with Barkerville during the year ended September 30, 2015.

	December 31, 2015		September 30, 2015	
	Number of shares	Quoted market price	Number of shares	Quoted market price
Barkerville	1,501,893	\$390,492	1,661,893	\$382,235

During the three months ended December 31, 2015, the Company sold 160,000 (2014 – Nil) common shares of Barkerville for net proceeds of \$39,950 (2014 - \$Nil) recognizing a gain on sale of \$3,150 (2014 - \$Nil). During the three months ended December 31, 2015, the Company recorded an unrealized gain of \$45,057 (2014 - \$148,591) on the balance of shares held.

4. EXPLORATION AND EVALUATION ASSETS

Realization of assets

The investment in mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

GZZ Property

In January 2012, the Company entered into an option agreement with Golden Value Mines Ltd. ("Golden Valley") and Integra Gold Corp. ("Integra") to acquire a 70% interest in certain properties located in the Abitibi Greenstone Belt of north western Quebec and north eastern Ontario held by Golden Valley. To acquire the option, the Company issued to Golden Valley 770,961 common shares of the Company and was required to incur expenditures in an aggregate amount of \$4,500,000 over a 6 year period from the initial date of signing the option agreement.

The Company has not met the required expenditure requirement and subsequent to September 30, 2015, Golden Valley terminated the option agreement with the Company. The Company wrote off acquisition costs of \$177,321 to operations during the year ended September 30, 2015.

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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5. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Escrow shares

Included in issued share capital are Nil (2014 – 6,250) escrowed common shares. In May 2015, the Company applied for and had the escrow shares cancelled.

Warrants

There were no warrants issued or outstanding as at September 30, 2015 and December 31, 2015.

Stock options

The Company has a rolling stock option plan (the “Plan”) that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant, subject to a minimum exercise price of \$0.05 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, September 30, 2013 and 2014	663,597	\$ 0.285
Cancelled	<u>(35,000)</u>	0.285
Outstanding and exercisable, September 30, 2015 and December 31, 2015	628,597	\$ 0.285

As at December 31, 2015, the Company had 628,597 stock options outstanding, exercisable at \$0.285 per option until February 15, 2016, which subsequently expired unexercised.

6. PROVISION

The Canada Revenue Agency (“CRA”) has reviewed Canadian exploration expenditures (“CEE”) incurred by the Company that were renounced on certain flow-through shares issued for taxation years 2000 through 2003. Between taxation years 2004 and 2008, the Company has estimated \$1.32 million flow through share proceeds were raised in excess of qualifying flow-through share expenditures incurred over this period. The Company has failed to incur these expenditures within the time period required.

No amount has been recorded for any indemnification to flow-through shareholders. Management has estimated and recorded interest and penalties relating to Part XII.6 taxes payable and unremitted amounts owing to the CRA of \$375,888 (2014 - \$375,888). The Company is continuing to review its compliance with respect to flow through shares issuances and has filed voluntary disclosure with the CRA. The final outcome of the voluntary disclosure is unknown at the date of the financial statements.

7. CONTINGENCY

The Company has been named in a writ to a group of companies and individuals from a self-represented plaintiff claiming unspecified damages. The Company has not yet been served with the writ.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, investments, accounts payable and accrued liabilities, and amounts due to related party. Cash has been designated as FVTPL, receivables as loans and receivables, investments as AFS and accounts payable and accrued liabilities and due to related parties are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments. Cash and investments are valued at level 1 of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is nominal risk associated with receivables as this is due primarily from a government agency.

Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2015. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity 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 prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

GOLDEN CARIBOO RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2015
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

9. RELATED PARTY TRANSACTIONS

- a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	December 31, 2015	December 31, 2014
Management fees charged by directors and corporations under their control	\$ -	\$ 15,000
Professional fees	2,250	-
Rent, office expenses and travel charged by company with related director	-	2,153
Wages charged by company with related director	-	13,071
Total	\$ 2,250	\$ 30,224

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

- b) Included in accounts payable at December 31, 2015 is \$Nil (September 30, 2015 - \$3,272). These amounts are unsecured and non-interest bearing.

12. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity (deficiency). Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year.

13. SEGMENTED INFORMATION

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expense, whose operating results are reviewed regularly by the Company's chief operating decision maker, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition and exploration of mineral properties, all of which occurs within Canada.