

GRAND PEAK CAPITAL CORP.

Consolidated Financial Statements

For the Years Ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Grand Peak Capital Corp.

We have audited the accompanying consolidated financial statements of Grand Peak Capital Corp., which comprise the consolidated statements of financial position as at September 30, 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 overall 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 Grand Peak Capital Corp. as at September 30, 2015 and 2014, and 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 describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Grand Peak Capital Corp.'s ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 27, 2016

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2015	September 30, 2014
ASSETS			
Current assets			
Cash		\$ 28,060	\$ 14,133
Other receivables	8	5,546	22,715
		33,606	36,848
Non-Current Assets			
Marketable securities	4	1,186,237	1,826,114
TOTAL ASSETS		\$ 1,219,843	\$ 1,862,962
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables and accrued liabilities	6, 8	\$ 9,749	\$ 50,013
Short-term loans	8	-	4,750
TOTAL LIABILITIES		9,749	54,763
EQUITY			
Share capital	7	9,108,854	8,807,804
Reserves	7	1,542,205	(253,749)
Deficit		(9,440,965)	(6,745,856)
TOTAL EQUITY		1,210,094	1,808,199
TOTAL LIABILITIES AND EQUITY		\$ 1,219,843	\$ 1,862,962

APPROVED BY THE DIRECTORS ON JANUARY 27, 2016:

“Eugene Beukman”
Director

“Charn Deol”
Director

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		For the Year Ended	
		September 30, 2015	September 30, 2014
	Note		
Expenses			
Advertising		\$ 3,472	\$ -
Bank charges & interest		1,371	876
Consulting fees	8	23,400	-
Office and miscellaneous		2,052	3,872
Mining taxes		11,742	-
Professional fees	8	24,126	22,685
Rent	8	37,800	13,000
Transfer agent and regulatory fees		34,308	27,914
		(138,271)	(68,347)
Other items			
Interest and royalty income		6,203	10,108
Realized loss on marketable securities	4	(33,500)	(74,781)
Impairment of marketable securities	4	(2,527,331)	-
Management fee income		-	20,000
Gain on Vianey option agreement	5	-	14,315
Impairment of other investment		-	(100,000)
Foreign exchange gain (loss)		(2,210)	2,231
		(2,556,838)	(128,127)
Net loss for the Year		\$ (2,695,109)	\$ (196,474)
Other comprehensive Income (Loss) in the Year			
Unrealized gain (loss) on investment	4	(731,377)	401,164
Unrealized loss recognized in net loss	4	2,527,331	-
Comprehensive loss for the Year		\$ (899,155)	\$ 204,690
Basic and diluted loss per share		\$ (0.28)	\$ (0.04)
Weighted average shares outstanding			
-basic and diluted		9,685,760	4,929,340

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

GRAND PEAK CAPITAL CORP.**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***(Expressed in Canadian dollars, except share number)*

	Note	Common Shares		Reserves		Accumulated Deficit	Total
		Number of Shares	Amount	Share Based Payment	Investment Revaluation		
Balance at September 30, 2013		4,893,340	\$ 8,707,804	\$ 1,505,448	\$ (2,160,361)	\$ (6,549,382)	\$ 1,503,509
Comprehensive loss:							
Loss for the year		-	-	-	-	(196,474)	(196,474)
Unrealized gain on marketable securities		-	-	-	401,164	-	401,164
Asset acquisition	7	40,000	100,000	-	-	-	100,000
Balance at September 30, 2014		4,933,340	8,807,804	1,505,448	(1,759,197)	(6,745,856)	1,808,199
Private placement	7	10,035,000	301,050	-	-	-	301,050
Share redemption	7	(14,660)	-	-	-	-	-
Comprehensive loss:							
Loss for the year		-	-	-	-	(2,695,109)	(2,695,109)
Unrealized losses recognized in net loss		-	-	-	2,527,331	-	2,527,331
Unrealized loss on marketable securities		-	-	-	(731,377)	-	(731,377)
Balance at September 30, 2015		14,953,680	\$ 9,108,854	\$ 1,505,448	\$ 36,757	\$ (9,440,965)	\$ 1,210,094

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

GRAND PEAK CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the Year Ended	
	September 30, 2015	September 30, 2014
Operating Activities		
Net loss for the year	\$ (2,695,109)	\$ (196,474)
Adjustments for non-cash items		
Loss on the sale of marketable securities	33,500	74,781
Gain on Vianey option agreement	-	(14,315)
Impairment of marketable securities	2,527,331	-
Impairment of other investment	-	100,000
Changes in non-cash working capital items		
Other receivables	17,169	(17,395)
Trade payables and accrued liabilities	(40,264)	32,340
Net cash flow used in operating activities	(157,373)	(21,063)
Investing Activities		
Proceeds received from the sale of marketable securities	100,000	77,131
Acquisition of marketable securities	(225,000)	(80,367)
Net cash flow used in investing activities	(125,000)	(3,236)
Financing Activities		
Subscriptions to private placement	301,050	-
(Repayment of) proceeds from short-term loan	(4,750)	4,750
Net cash flows provided by financing activities	296,300	4,750
Change in cash during the year	13,927	(19,549)
Cash, beginning of year	14,133	33,682
Cash, end of year	\$ 28,060	\$ 14,133

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

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Grand Peak Capital Corp. (the “Company”) is incorporated under the Business Corporations Act of British Columbia and its principal business activity is investing in small capital resource sector public companies. The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol “GPK”. The head office, principal address and records office of the Company are located at 8338 – 120th Street, Surrey, British Columbia, Canada, V3W 2N4.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at September 30, 2015, the Company is not able to finance its day-to-day operations through its financing activities. The Company’s continuation as a going concern is dependent upon the performance of its stock portfolio and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and by continuing to pursue additional sources of financing through equity offerings.

These consolidated financial statements were approved and authorized for use by the Board of Directors on January 27, 2016.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These consolidated financial statements incorporate the accounts of the Company and its controlled subsidiaries:

Entity	Incorporation	Ownership Percentage
Grand Peak Mexican Holding Inc.	Canada	100%
Grand Peak Mexico S.A. de C.V.	Mexico	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions are eliminated on consolidation.

Significant Estimates and Assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets,.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- whether there is objective evidence that financial assets classified as available-for-sale are impaired and the unrealized losses need reclassification to net loss; and
- the determination of the functional currency of the parent company and its subsidiaries

Functional Currency

The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's subsidiaries is the Canadian dollar.

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate of the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Exploration and Evaluation Assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures including the costs of acquiring licenses and costs associated with exploration and evaluation activities are capitalized by property. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests that asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of Non-financial Assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset is the greater of its asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an individual asset that does not generate cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates and used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Assets that have an indefinite life are not subject to amortization and are tested annually for impairment.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Restoration and Environmental Obligations (Continued)

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company currently has no measurable restoration and environmental obligations.

Share-Based Payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the stock options granted and recognized over the vesting periods. Share-based payments to non-employees are measured at fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured. The fair value of options is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which stock options are granted. At each reporting date, the amount recognized as expense is adjusted to reflect the actual number of stock options that are expected to vest.

Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares. As at September 30, 2015, the Company's diluted loss per share was the same as the basic loss per share as the effect of the stock options and warrants would be anti-dilutive.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial Instruments

The Company classifies its financial instruments in the following categories:

- a. Fair value through profit or loss;
- b. Loans and receivables;
- c. Held-to maturity;
- d. Available-for-sale financial assets, and
- e. Financial liabilities.

The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial Instruments (Continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Gains and losses are recognized in the investment valuation reserve, except for the impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are recognized initially at fair value net of any directly attributable transaction costs and are subsequently measured at amortized cost. Regular purchase and sale of financial asset are recognized on the trade-date, the date on which the Company commits to purchase and dispose the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial assets has been impaired. In the case of available-for-sale financial instruments, a significant prolonged decline in the value is objective evidence that an impairment has arisen.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from and paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Income Taxes (Continued)

Deferred Tax

Deferred tax is recorded by providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Accounting Standards Issued But Not Yet Applied by the Company

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considered that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. MARKETABLE SECURITIES

The Company's marketable securities comprise of investments in shares and share-purchase warrants of Canadian public companies. The Company designates its investment in shares as available-for-sale and its investments in warrants at fair value through profit and loss.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES (Continued)

Details are as follows:

September 30, 2015	Cost	Fair Value
Common shares	\$ 5,681,994	\$ 1,182,237
Warrants	85,333	4,000
	\$ 5,767,327	\$ 1,186,237
September 30, 2014	Cost	Fair Value
Common shares	\$ 5,678,253	\$ 1,822,114
Warrants	85,333	4,000
	\$ 5,763,586	\$ 1,826,114

During the year ended September 30, 2015, the Company sold marketable securities for proceeds of \$100,000 (2014 - \$100,000), resulting in realized losses of \$33,500 (2014 - \$74,781)

For the year ended September 30, 2015, the Company recorded an unrealized loss of \$771,557 (2014 unrealized gain - \$401,164).

During the year ended September 30, 2015, the Company determined that its investments in common shares were impaired and recorded an impairment charge of \$2,527,331.

5. EXPLORATION AND EVALUATION ASSETS

	Vianey
As at September 30, 2013	\$ 285,685
Option payments received	(300,000)
Gain on Vianey option agreement	14,315
As at September 30, 2014 and September 30, 2015	\$ -

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

On June 7, 2011, the Company signed an agreement with Musgrove Mineral Corp and acquired a 100% interest in the Vianey mining concessions located in Guerrero State, Mexico.

On May 24, 2013, and as amended on January 16, 2014, the Company entered into an option agreement with Lucky Minerals Inc. (“Lucky”), a company with a common director, to grant Lucky a 100% interest in the Company’s Vianey’s mining concessions.

Under the agreement, Lucky was required to make payments according to a schedule and incur the minimum required expenditures. During the year-ended September 30, 2015, Lucky decided to let the option agreement lapse as they were unable to meet the exploration expenditure requirement due by December 1, 2014. The Company has since regained control of the mining concessions.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

		2015		2014
Trade payables	\$	1,749	\$	36,013
Accrued liabilities		8,000		14,000
	\$	9,749	\$	50,013

7. SHARE CAPITAL

Authorized Share Capital

Unlimited number of common shares without par value

Issued and Outstanding Share Capital

On November 8, 2013, the Company issued 200,000 common shares with a fair value of \$100,000 in full settlement of \$100,000 owing to Musgrove for the acquisition of the Vianey Mining concessions (Note 5).

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)

Issued and Outstanding Share Capital (continued)

On January 15, 2015, the Company completed consolidating its issued and outstanding common shares on the basis of 1 new share for 5 old shares. All per share and number of share disclosures have been retroactively restated to reflect the share consolidation.

On April 10, 2015, the Company raised an aggregate total of \$301,050 through issuance of 10,035,000 units at a price of \$0.03 per unit. Each unit consists of one common share and one share-purchase warrant exercisable at \$0.05 per share for a period of 5 years from the completion of the private placement. A former officer of the Company purchased 1,000,000 units.

On June 25, 2015, the Company implemented a small shareholder program to eliminate small lot shareholders whereby the Company's common shares were consolidated on a 500 for 1 basis, and immediately thereafter, the Company's shares were split on the same ratio. The program resulted in the cancellation of 14,660 common shares and the number of outstanding shares were reduced to 14,953,680.

Stock Options

The Company has adopted a stock option plan whereby the Company may from time-to-time in accordance with the CSE requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

There were no options outstanding at September 30, 2015 and 2014.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)

Warrants

The Company's warrant transactions are summarized as follows:

	Warrants	Weighted average exercise price \$	Weighted average number of years to expiry
Balance, September 30, 2014 and 2013	-	-	-
Issued - Private Placement	10,035,000	0.05	4.53
Balance, September 30, 2015	10,035,000	0.05	4.53

Reserves

Share-Based Payment Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Investment Revaluation Reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses and foreign exchange gains and losses on monetary items.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2015, the Company incurred \$1,906 (2014 –\$5,805) in accounting fees to a company owned by the former Chief Financial Officer of the Company.

During the year ended September 30, 2015, the Company incurred \$37,800 (2014 - \$13,000) in rent expense to a company with common management.

During the year ended September 30, 2015, the Company incurred \$23,400 (2014 - \$nil) in consulting fees to a company with common management.

As at September 30, 2015, \$nil (2014 - \$21,000) owing from a company controlled by a relative from the former CEO was included in other receivables.

As at September 30, 2015, \$nil (2014 - \$38,022) owing to a company with a common director was included in trade payables.

As at September 30, 2015, \$nil in loans (2014 - \$4,750) were owing to a company with common management. These amounts were non-interest bearing, due on demand and are unsecured.

9. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 cash held in bank accounts. Cash is deposited in bank accounts held with a major bank in Canada. As all of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit financial institutions as determined by rating agencies.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

9. FINANCIAL RISK AND CAPITAL 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. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

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

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk as all its operations are in Canada.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Other Price Risk

Other 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 other than interest and foreign exchange rates. The Company is exposed to other price risk as it has significant holdings of common shares of public companies in the development stage. The fair value of these investments are impacted by changes in commodity prices, the availability of capital and other macro-economic factors.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

9. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence to sustain future development of the business. The capital structure of the Company consists of share and working capital.

There was no change in the Company's approach to capital management during the year. The Company is no subject to any externally imposed capital requirements.

Classification of Financial Instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	2015	2014
Fair Value Through Profit and Loss		
Marketable Securities - warrants	\$ 4,000	\$ 4,000
Available for Sale		
Marketable Securities - shares	\$ 1,182,237	\$ 1,822,113
Loans and Receivables:		
Cash	\$ 28,060	\$ 14,133
Financial Liabilities:		
Trade Payables	\$ 1,750	\$ 36,013

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount.

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

9. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)

Fair Value (continued)

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

- Level 1 Unadjusted quote prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 Inputs that are not based on observable market data.

Cash and marketable securities are recorded at fair value using level 1 inputs. Marketable Securities are classified using level 3 inputs.

10. INCOME TAX

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	2015	2014
Net loss	\$ (2,695,109)	\$ (196,474)
Statutory tax rate	26%	26%
Expected income tax recovery	(700,728)	(51,083)
Net effects of permanent differences	337,908	14,315
Effect of change in tax rates	-	(24,454)
Expiration of non-capital losses	68,736	-
Other	137,752	-
Current and prior tax attributes not recognized	156,332	61,222
Income tax recovery	\$ -	\$ -

GRAND PEAK CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014
(Expressed in Canadian dollars)

10. INCOME TAX (Continued)

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	2015	2014
Capital losses	\$ 559,077	\$ 552,213
Non-capital losses carry-forward	142,916	250,213
Capital assets	50,914	50,914
Marketable securities	606,950	275,907
Other	-	74,278
Less: Valuation allowance	(1,359,857)	(1,203,525)
Net deferred income tax assets	\$ -	\$ -

As at September 30, 2015, the Company had the following non-capital losses that may be applied against future income for Canadian income tax purposes.

Year	Amount
2026	113,312
2027	119,193
2029	14,045
2032	70,881
2033	47,475
2034	33,743
2035	151,028
Total	\$ 549,677