

GRAND PEAK CAPITAL CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2016 and 2015

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

GRAND PEAK CAPITAL CORP.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)

	Note	December 31, 2016	September 30, 2016
ASSETS			
Current Assets			
Cash		\$ 66,041	\$ 50,323
Accounts receivable		170,389	61,520
Other receivable		12,671	3,104
Loans and interests receivable	7	1,235,773	1,238,538
Investments held-for-trading	4	342,675	360,800
		<u>1,827,549</u>	<u>1,714,285</u>
Non-Current Assets			
Marketable securities	5	2,378,546	2,286,006
TOTAL ASSETS		\$ 4,206,095	\$ 4,000,291
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	8	\$ 57,876	\$ 96,334
Other payables		56,934	-
Loans and interests payable	9	986,456	978,762
Due to related parties		40,000	42,000
TOTAL LIABILITIES		<u>1,141,266</u>	<u>1,117,096</u>
EQUITY			
Share capital	10	9,610,604	9,610,604
Reserves	10	633,252	672,627
Deficit		(7,179,027)	(7,400,036)
TOTAL EQUITY		<u>3,064,829</u>	<u>2,883,195</u>
TOTAL LIABILITIES AND EQUITY		\$ 4,206,095	\$ 4,000,291

Nature and continuance of operations 1

On behalf of the Board

"Tajinder Johal"
Tajinder Johal, Director

"Darnell May"
Darnell May, Director

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

GRAND PEAK CAPITAL CORP.**CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31,

(Unaudited, in Canadian dollars)

	Note	2016	2015
Expenses			
Bank charges & interest		7,745	63
Office and miscellaneous		3,521	-
Professional fees		1,760	4,084
Rent		-	9,450
Telecommunication		3,750	-
Transfer agent and regulatory fees		2,361	2,124
Wages and benefits		33,628	-
		<u>(52,765)</u>	<u>(15,721)</u>
Other Items			
Interest and royalty income		9,290	480
Consulting fee income	11	106,000	-
Management fee income	11	101,000	-
Gain from sale of marketable securities		57,510	-
Foreign exchange gain (loss)		(26)	(216)
		<u>273,774</u>	<u>264</u>
Net Income (Loss) for the Year		221,009	(15,457)
Other Comprehensive Income (Loss) in the Year			
Unrealized gain (loss) on investments		(39,375)	(333,374)
Comprehensive Income (Loss) for the Year		<u>181,634</u>	<u>(348,831)</u>
Basic and diluted loss per share		\$ 0.01	\$ (0.00)
Weighted Average Number of Common Shares			
Outstanding			
- basic and diluted		20,276,981	12,208,381

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

GRAND PEAK CAPITAL CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Expressed in Canadian dollars, except share number)*

	Note	Issued Common Shares		Reserves			Total
		Number of Shares	Amount	Share Based Payment	Investment Revaluation	Deficit	
Balance at September 30, 2015		14,953,680	\$ 9,108,854	\$ 1,505,448	\$ 36,757	\$ (9,440,965)	\$ 1,210,094
Loss for the period		-	-	-	-	(15,457)	(15,457)
Unrealized loss on marketable securities		-	-	-	(333,374)	-	(333,374)
Balance at December 31, 2015		14,953,680	9,108,854	1,505,448	(296,617)	(9,456,422)	861,263
Shares issued for exercise of warrants	10	10,035,000	501,750	-	-	-	501,750
Reallocation of expired options		-	-	(1,505,448)	-	1,505,448	-
Net income for the period		-	-	-	-	550,938	550,938
Unrealized gain on marketable securities		-	-	-	969,244	-	969,244
Balance at September 30, 2016		24,988,680	9,610,604	-	672,627	(7,400,036)	2,883,195
Net income for the period		-	-	-	-	221,009	221,009
Unrealized loss on marketable securities		-	-	-	(39,375)	-	(39,375)
Balance at December 31, 2016		24,988,680	9,610,604	\$ -	\$ 633,252	\$ (7,179,027)	\$ 3,064,829

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

GRAND PEAK CAPITAL CORP.**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31,
(Expressed in Canadian dollars)

	2016	2015
Operating Activities		
Net income (loss) for the period	221,009	(15,457)
Adjustment for non-cash items		
Unrealized (gain) loss on marketable securities	(117,509)	-
Interests income	(9,273)	-
Interests expenses	7,694	-
Changes in non-cash working capital items		
Accounts receivable	(108,869)	-
Other receivables	(9,567)	(110)
Trade payables and accrued liabilities	(38,458)	3,419
Other payables	56,934	-
Due to related parties	(2,000)	40,000
Net cash flow used in operating activities	(39)	27,852
Investing Activities		
Proceeds from sale of marketable securities	66,764	-
Acquisition of marketable securities	(63,045)	(40,000)
Loan repayments from third parties	12,038	-
Net cash flow provided by investing activities	15,757	(40,000)
Change in cash during the period	15,718	(12,148)
Cash, beginning of period	50,323	28,060
Cash, end of period	\$ 66,041	\$ 15,912

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

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016

(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 December 31, 2016, the Company is not able to finance its day-to-day operations through its operating 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 March 1, 2017.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2016, which have been prepared in accordance with international Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

GRAND PEAK CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

(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%

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon 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 useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, the fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

GRAND PEAK CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

*(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 is 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 and classification of financial instruments.

4. INVESTMENTS HELD-FOR-TRADING

As at December 31, 2016, the Company's investments held-for-trading consists of share-purchase warrants of various Canadian public companies. The Company designates its investment in share-purchase warrants at fair value through profit and loss as follows:

Balance, September 30, 2015	\$	4,000
Change in fair value		360,800
Warrants expired		(4,000)
Balance, September 30, 2016		360,800
Change in fair value		(18,125)
Balance, December 31, 2016	\$	342,675

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following weighted-average assumptions:

	December 31, 2016	September 30, 2016
Expected life of warrants (years)	4.30 - 4.63	4.55 - 4.88
Annualized volatility	100% - 220%	100% - 220%
Risk-free interest rate	1.02%	0.60%
Dividend rate	0%	0%

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016

(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES

As at December 31, 2016, the Company's marketable securities comprise of investments in common shares and share-purchase warrants of Canadian public companies. The Company designates its investment in common shares as available-for-sale and its investments in warrants at fair value through profit and loss. The cost and fair values of the shares and warrants at December 31, 2016 and September 30, 2016 are as follows:

	December 31, 2016	September 30, 2016
Cost	\$ 6,296,646	\$ 6,233,601
Fair value	\$ 2,378,546	\$ 2,286,006

6. EXPLORATION AND EVALUATION ASSETS

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 then, 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. The payments received has reduced the carrying value to \$nil. During the year ended September 30, 2015, Lucky decided to let the option agreement lapsed 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.

During the year ended September 30, 2016, the Company entered into an option agreement to option Vianey mining concessions to a company (the "Optionee") for a total of \$300,000 with the following payment schedule:

- \$100,000 cash on or before July 31, 2016 or after the approval by the securities exchange, if required;
- \$100,000 cash within 12 months from the date of execution of the option agreement;
- \$100,000 within 24 months from the date of the execution of the option agreement.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

The Optionee shall commit to a work program of not less than \$250,000 over the next two years and the Company shall retain a 2% net smelter royalty (“NSR”). The Optionee may acquire 1% of the NSR for a price of \$1,000,000. The Company received the first \$100,000 cash payment in July 2016 which it recognized as income.

7. LOANS RECEIVABLE

On September 15, 2016, the Company advanced \$1,225,000 to a company with a common director. The loan bears interest at 3% per annum, is unsecured and due on demand.

On September 23, 2016, the Company advanced \$12,000 to a company with common management. This loan bears interests at 3% per annum, is unsecured and due on demand. In November 2016, the Company received \$12,038 from the borrower as repayment of principal and interests.

Total interests accrued on the outstanding loan receivable as at December 31, 2016 were \$10,773 (September 30, 2016 - \$1,538)

8. TRADE PAYABLES AND ACCRUED LIABILITIES

	December 31, 2016		September 30, 2016	
Trade payables	\$	41,016	\$	81,234
Accrued liabilities	\$	16,860		15,100
	\$	57,876	\$	96,334

9. LOANS PAYABLE

On August 10, 2016, the Company entered into a loan agreement with a company with common directors for principal of \$850,000. The loan bears interest at 3% per annum, is unsecured and due on demand. As of December 31, 2016, the accrued interest payable is \$9,990 (September 30, 2016 - \$3,563). Also see Note 12.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016

(Expressed in Canadian dollars)

9. LOANS PAYABLE

During the year ended September 30, 2016, the Company entered into a loan agreement with a third party to borrow \$125,000 with a repayment date on or before September 15, 2017. The loan has an interest rate of 4% per annum and the Company used a portion of its marketable securities as collateral for the loan. As of December 31, 2016, the accrued interest payable is \$1,466 (September 30, 2016 - \$199).

10. SHARE CAPITAL**Authorized Share Capital**

Unlimited number of common shares without par value

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 December 31, 2016 and September 30, 2016.

GRAND PEAK CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

*(Expressed in Canadian dollars)***10. SHARE CAPITAL (Continued)****Warrants**

A continuity of the Company's warrants is as follows:

	Warrants	Weighted average exercise price \$	Weighted average number of years to expiry
Balance, September 30, 2014	-	-	-
Granted - Private Placement	10,035,000	0.05	4.53
Balance, September 30, 2015	10,035,000	0.05	4.53
Warrants exercised	(10,035,000)	0.05	-
Balance, September 30, 2016	-	0.05	-

No new warrants were issued during the three-month period ended December 31, 2016.

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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS**Revenue**

In August 2016, the Company entered into a revenue collection agreement with a company with a common director, who collected management and rental income on behalf of the Company. During the year ended September 30, 2016, the Company with a common director collected \$34,650 (2015 - \$nil) of management and rental income on behalf of the Company. In return, the Company paid \$3,000 (2015 - \$nil) for service fee. As at December 31, 2016, the outstanding balance of \$34,650 (September 30, 2016 - \$34,650) from a company with common director is included in accounts receivable.

Amounts due to and from related parties are non-interest bearing, unsecured, with no terms of repayment.

During the three months ended December 31, 2016, the Company earned gross management income of \$101,000 (December 31, 2015 - \$nil) and consulting income of \$106,000 (December 31, 2015 - \$nil) from companies with common directors or management.

As at December 31, 2016, an outstanding balance of \$164,850 (September 30, 2016 - \$9,450) of the management and consulting income from companies with common directors or management is included in accounts receivable.

Notes Receivable

See Note 7.

Notes Payable

See Note 9.

12. SUBSEQUENT EVENTS

Subsequent to the three-month period ended December 31, 2016, the Company repaid its outstanding loan of \$850,000. The Company paid a total of \$854,218 with \$850,000 as principal repayment and \$12,156 as interests.