

GRAND PEAK CAPITAL CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months and Six Months Ended March 31, 2017 and 2016

(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 | March 31, 2017 | September 30, 2016 |
|--|------|---------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | | \$ 375,615 | \$ 50,323 |
| Accounts receivable | | 175,920 | 61,520 |
| Other receivable | | 13,344 | 3,104 |
| Loans and interests receivable | 7 | - | 1,238,538 |
| Investments held-for-trading | 4 | 879,091 | 360,800 |
| | | <u>1,443,970</u> | <u>1,714,285</u> |
| Non-Current Assets | | | |
| Marketable securities | 5 | 3,618,979 | 2,286,006 |
| TOTAL ASSETS | | \$ 5,062,949 | \$ 4,000,291 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade payables and accrued liabilities | 8 | \$ 64,414 | \$ 96,334 |
| Other payables | | 64,171 | - |
| Loans and interests payable | 9 | 127,699 | 978,762 |
| Due to related parties | | 40,000 | 42,000 |
| TOTAL LIABILITIES | | <u>296,284</u> | <u>1,117,096</u> |
| EQUITY | | | |
| Share capital | 10 | 9,610,604 | 9,610,604 |
| Reserves | 10 | 2,372,138 | 672,627 |
| Deficit | | (7,216,077) | (7,400,036) |
| TOTAL EQUITY | | <u>4,766,665</u> | <u>2,883,195</u> |
| TOTAL LIABILITIES AND EQUITY | | \$ 5,062,949 | \$ 4,000,291 |

Nature and continuance of operations 1

On behalf of the Board

"Tajinder Johal"

Tajinder Johal, Director

"Ayub Khan"

Ayub Khan, 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 AND SIX-MONTH PERIODS ENDED MARCH 31,

(Unaudited, in Canadian dollars)

| | Note | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------|------------------------------|------------------|-----------------------------|------------------|
| | | 2017 | 2016 | 2017 | 2016 |
| Expenses | | | | | |
| Bank charges & interest | | \$ 3,815 | \$ 146 | \$ 11,560 | \$ 209 |
| Consulting fees | 10 | 3,000 | - | 3,000 | - |
| Office and miscellaneous | | 17,223 | 78 | 20,744 | 78 |
| Professional fees | | 19,772 | 14,635 | 21,532 | 18,718 |
| Rent | | - | 9,242 | - | 18,692 |
| Telecommunication | | 3,750 | - | 7,500 | - |
| Transfer agent and regulatory fees | | 4,902 | 5,857 | 7,264 | 7,981 |
| Wages and benefits | | 27,570 | - | 61,198 | - |
| | | 80,032 | 29,958 | 132,798 | 45,678 |
| Other Items | | | | | |
| Interest and royalty income | | 3,967 | 681 | 13,256 | 1,161 |
| Consulting fee income | 11 | - | - | 106,000 | - |
| Management fee income | 11 | 22,000 | 1,000 | 123,000 | 1,000 |
| Gain (loss) from sale of marketable securities | | 16,808 | (4,544) | 74,318 | (4,544) |
| Foreign exchange gain (loss) | | 209 | 446 | 183 | 230 |
| | | 42,984 | (2,417) | 316,757 | (2,153) |
| Net Income (Loss) for the Year | | (37,048) | (32,375) | 183,959 | (47,831) |
| Other Comprehensive Income (Loss) in the Period | | | | | |
| Unrealized gain (loss) on investments | | 1,738,886 | 120,272 | 1,699,511 | (213,102) |
| Comprehensive Income (Loss) for the Period | | 1,701,838 | 87,897 | 1,883,470 | (260,933) |
| Basic and diluted loss per share | | \$ (0.00) | \$ (0.00) | \$ 0.01 | \$ (0.00) |
| Weighted Average Number of Common Shares | | | | | |
| Outstanding | | | | | |
| - basic and diluted | | 22,710,379 | 14,762,055 | 22,710,379 | 14,762,055 |

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 | | - | - | - | - | (47,831) | (47,831) |
| Shares issued for exercise of warrants | | 880,000 | 44,000 | - | - | - | 44,000 |
| Unrealized loss on marketable securities | | - | - | - | (213,102) | - | (213,102) |
| Balance at March 31, 2016 | | 15,833,680 | 9,152,854 | 1,505,448 | (176,345) | (9,488,796) | 993,161 |
| Shares issued for exercise of warrants | 10 | 9,155,000 | 457,750 | - | - | - | 457,750 |
| Reallocation of expired options | | - | - | (1,505,448) | - | 1,505,448 | - |
| Net income for the period | | - | - | - | - | 583,312 | 583,312 |
| Unrealized gain on marketable securities | | - | - | - | 848,972 | - | 848,972 |
| Balance at September 30, 2016 | | 24,988,680 | 9,610,604 | - | 672,627 | (7,400,036) | 2,883,195 |
| Net income for the period | | - | - | - | - | 183,959 | 183,959 |
| Unrealized loss on marketable securities | | - | - | - | 1,699,511 | - | 1,699,511 |
| Balance at March 31, 2017 | | 24,988,680 | \$ 9,610,604 | \$ - | \$ 2,372,138 | \$ (7,216,077) | \$ 4,766,665 |

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

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

| | 2016 | 2015 |
|---|------------|-----------|
| Operating Activities | | |
| Net income (loss) for the period | 183,959 | (15,457) |
| Adjustment for non-cash items | | |
| Unrealized (gain) loss on marketable securities | (134,317) | - |
| Interests income | (12,282) | - |
| Interests expenses | 11,093 | - |
| Changes in non-cash working capital items | | |
| Accounts receivable | (114,400) | - |
| Other receivables | (10,240) | (110) |
| Trade payables and accrued liabilities | (31,920) | 3,419 |
| Other payables | 64,171 | - |
| Due to related parties | (2,000) | 40,000 |
| Net cash flow used in operating activities | (45,936) | 27,852 |
| Investing Activities | | |
| Proceeds from sale of marketable securities | 125,609 | - |
| Acquisition of marketable securities | (143,045) | (40,000) |
| Loan repayments from third parties | 1,250,820 | - |
| Net cash flow provided by investing activities | 1,233,384 | (40,000) |
| Financing Activities | | |
| Repayment of short-term loan | (862,156) | - |
| Net cash flows from financing activities | (862,156) | - |
| Change in cash during the period | 325,292 | (12,148) |
| Cash, beginning of period | 50,323 | 28,060 |
| Cash, end of period | \$ 375,615 | \$ 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

March 31, 2017

(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 4770 – 72nd Street, Surrey, British Columbia, Canada, V4K 3N3.

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 March 31, 2017, 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 May 30, 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

March 31, 2017

(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

March 31, 2017

*(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 March 31, 2017, 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 | | 518,291 |
| Balance, December 31, 2016 | \$ | 879,091 |

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

| | March 31, 2017 | September 30, 2016 |
|-----------------------------------|----------------|--------------------|
| Expected life of warrants (years) | 4.05 - 4.38 | 4.55 - 4.88 |
| Annualized volatility | 100% - 220% | 100% - 220% |
| Risk-free interest rate | 0.97% | 0.60% |
| Dividend rate | 0% | 0% |

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

March 31, 2017

(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES

As at March 31, 2017, 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 March 31, 2017 and September 30, 2016 are as follows:

| | March 31, 2017 | September 30, 2016 |
|------------|----------------|--------------------|
| Cost | \$ 6,325,355 | \$ 6,233,601 |
| Fair value | \$ 3,618,979 | \$ 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 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.

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

March 31, 2017

*(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 formerly with a common director. The loan bears interest at 3% per annum, is unsecured and due on demand. In January 2017, the Company received \$1,238,781 from the borrower as repayment of principal and interests.

On September 23, 2016, the Company advanced \$12,000 to a company formerly 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.

As at March 31, 2017, there was no outstanding loan receivable.

8. TRADE PAYABLES AND ACCRUED LIABILITIES

| | March 31, 2017 | September 30, 2016 |
|---------------------|----------------|--------------------|
| Trade payables | \$ 49,314 | \$ 81,234 |
| Accrued liabilities | \$ 15,100 | 15,100 |
| | \$ 64,414 | \$ 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. In January 2017, the Company paid a total of \$862,156 as repayment of principal and interests.

GRAND PEAK CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

(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 March 31, 2017, the accrued interest payable was \$2,699 (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 March 31, 2017 and September 30, 2016.

GRAND PEAK CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

*(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 six-month period ended March 31, 2017.

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

March 31, 2017

(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 March 31, 2017, the outstanding balance of \$34,650 (September 30, 2016 - \$34,650) from a company with common director is included in accounts receivable. The revenue collection agreement was terminated in February 2017.

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

During the three months ended March 31, 2017, the Company earned gross management income of \$1,500 (March 31, 2016 - \$nil) and consulting income of \$nil (March 31, 2016 - \$nil) from a company with common directors or management.

During the six months ended March 31, 2017, the Company earned gross management income of \$8,500 (March 31, 2016 - \$nil) and consulting income of \$1,000 (March 31, 2016 - \$nil) from a company with common directors or management.

As at March 31, 2017, an outstanding balance of \$59,325 (September 30, 2016 - \$9,450) of the management and consulting income from a company with common directors or management is included in accounts receivable.