Lakeside MINERALS INC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2016 AND 2015

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Lakeside Minerals Inc., are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Peter Bilodeau”
Peter Bilodeau
Chief Executive Officer

“Amy Stephenson”
Amy Stephenson
Chief Financial Officer

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Lakeside Minerals Inc.

We have audited the accompanying consolidated financial statements of Lakeside Minerals Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2016 and January 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended January 31, 2016 and January 31, 2015 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 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 Lakeside Minerals Inc. and its subsidiaries as at January 31, 2016 and January 31, 2015 and its financial performance and its cash flows for the years ended January 31, 2016 and January 31, 2015 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 the material uncertainties that may cast significant doubt about the ability of the Company and its subsidiaries to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
May 30, 2016

LAKESIDE MINERALS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

Assets		**January 31, 2016**		January 31, 2015
Current				
Cash	**$**	**1,261**	$	54,847
HST receivable and other receivables (note 7)		**27,640**		24,495
Prepaid expenses		**-**		1,250
Total assets	**$**	**28,901**	$	80,592
Liabilities				
Current				
Accounts payable and accrued liabilities (note 8)	$	**446,682**		183,044
Non-current				
Long-term debt (note 8)		**-**		86,425
Convertible debentures (note 12)		**39,196**		25,641
		39,196		112,066
Total liabilities		**485,878**		295,110
Shareholders' Deficiency				
Share capital (note 9)		**3,720,304**		3,717,179
Conversion component of convertible debentures (note 12)		**6,002**		6,002
Reserve for warrants (note 10)		**712,901**		712,901
Reserve for options (note 11)		**160,374**		163,329
Accumulated deficit		**(5,056,558)**		(4,813,929)
Total shareholders' deficiency		**(456,977)**		(214,518)
Total liabilities and shareholders' deficiency	**$**	**28,901**	$	80,592

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)

APPROVED ON BEHALF OF THE BOARD

"Peter Bilodeau" (Director)　　　　**" Yannis Banks"** (Director)

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

LAKESIDE MINERALS INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Years ended January 31,	
	2016	2015
Expenses		
Management, consulting fees and salaries (note 13)	**$ 125,350**	$ 220,519
Professional fees	**39,687**	42,835
Office and general	**58,229**	42,795
Exploration and evaluation expenditures (note 6)	**4,608**	184,469
Total expenses	**(227,874)**	(490,615)
Other income (expense)		
Interest	**-**	467
Gain on settlement of debt (note 12)	**4,800**	17,259
Forgiveness of debt	**-**	4,420
Finance cost (note 12)	**(19,555)**	(5,600)
	(14,755)	16,546
Loss before income taxes	**(242,629)**	(474,069)
Deferred income tax recovery (note 17)	**-**	7,277
Net loss and comprehensive loss	**$ (242,629)**	$ (466,792)
Weighted average shares outstanding		
- basic and diluted (note 9)	**24,700,255**	18,963,733
Loss per share		
- basic and diluted (note 9)	**$ (0.01)**	$ (0.02)

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

LAKESIDE MINERALS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended January 31,		**2016**		2015
Operating Activities				
Loss before income taxes	**$**	**(242,629)**	$	(474,069)
Adjustments to reconcile net loss to cash flow:				
Shares issued for debenture interest (note 12)		**6,000**		**-**
Shares issued for property (note 9)		**-**		24,000
Gain on forgiveness of debt		**-**		(4,420)
Gain on settlement of debt (note 9)		**(4,800)**		(17,259)
Finance cost (note 12)		**13,555**		5,600
Net change in non-cash working capital items:				
HST receivable and other receivables		**(3,145)**		(3,295)
Accounts payable and accrued liabilities		**177,213**		47,677
Prepaid expenses		**1,250**		2,050
Cash flow used in operating activities		**(52,556)**		(419,716)
Investing Activities				
Loan repayments		**-**		56,542
Cash provided from investing activities		**-**		56,542
Financing Activities				
Cash acquired on corporate acquisition (note 16)		**-**		122,055
Issuance of share capital, net of issue costs		**1,030**		244,796
Convertible debentures issued, net of issue costs		**-**		47,500
Cash flow provided from financing activities		**-**		414,351
Net increase (decrease) in cash		**(53,586)**		51,177
Cash – beginning of year		**54,847**		3,670
Cash – end of year	**$**	**1,261**	$	54,847

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

LAKESIDE MINERALS INC.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of Shares	Amount	Share based payments	Conversion Component of convertible debentures	Warrants	Shares to be Issued	Accumulated Deficit	Total
Balance at January 31, 2014	**10,199,570**	**3,130,895**	**166,329**	**-**	**674,118**	**-**	**(4,347,137)**	**(375,795)**
Issued for cash consideration:								
Private placement (note 9)	5,800,000	290,000	-	-	-	-	-	290,000
Warrants issued on private placement (Note 9)	-	(58,000)	-	-	58,000	-	-	-
Share issuance costs (notes 10 and 13)	-	(43,675)	-	-	-	-	-	(43,675)
Issued for non-cash consideration:								
Issued for settlement of debt (note 9)	5,425,906	217,036	-	-	-	-	-	217,036
Issued for mineral properties (note 9)	600,000	24,000	-	-	-	-	-	24,000
Warrants issued for debt settlements (note 9)	-	-	-	-	37,000	-	-	37,000
Shares issued on corporate acquisition (Note 16)	2,599,740	69,064	-	-	17,268	-	-	86,332
Fair value assigned to warrants issued on convertible debentures, net of tax (note 10)	-	-	-	-	14,180	-	-	14,180
Conversion component of convertible debentures, net of tax (note 12)	-	-	-	6,002	-	-	-	6,002
Warrants expired and unexercised (note 10)	-	87,665	-	-	(87,665)	-	-	-
Stock options expired and unexercised (note 11)	-	3,000	(3,000)	-	-	-	-	-
Share issuance costs (notes 9 and 13)	-	(2,806)	-	-	-	-	-	(2,806)
Net loss for the year	-	-	-	-	-	-	(466,792)	(466,792)
Balance at January 31, 2015	**24,625,216**	**3,717,179**	**163,329**	**6,002**	**712,901**	**-**	**(4,813,929)**	**(214,518)**
Issued for non-cash consideration:								
Issued for debenture interest (note 9)	120,000	1,200	-	-	-	-	-	1,200
Share issuance costs (note 9)	-	(1,030)	-	-	-	-	-	(1,030)
Stock options expired and unexercised (note 11)	-	2,955	(2,955)	-	-	-	-	-
Net loss for the period	-	-	-		-	-	(242,629)	(242,629)
Balance at January 31, 2016	**24,745,216**	**3,720,304**	**160,374**	**6,002**	**712,901**	**-**	**(5,056,558)**	**(456,977)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Lakeside Minerals Inc. and its subsidiaries (the "Company") are engaged in the acquisition, exploration and development of mineral resource properties in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The address of the Company's registered office is 77 King Street West, Suite 2905, Toronto, Ontario M5K 1H1.

The Company is in the process of exploring, and has not yet determined whether there are economically viable reserves on its properties. As such, there is significant uncertainty with respect to the Company's ability to continue as a going concern, dependent upon such events as financing, discovery of reserves, and market demand conditions.

As is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs. The Company is currently offside on the Launay property agreement and is currently renegotiating a further extension to the final payment (note 6).

At January 31, 2016, the Company had a working capital deficiency of $417,781 (January 31, 2015 – working capital deficiency of $102,452) has not yet achieved profitable operations, has accumulated losses of $5,056,558 (January 31, 2015 – $4,813,929) and expects to incur further losses in the development of its business, all of which casts significant doubt upon the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. These consolidated financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended January 31, 2016.

These consolidated financial statements were authorized by the Board of Directors of the Company on May 30, 2016.

2.2 Basis of presentation

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2. BASIS OF PRESENTATION (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations
At the date of authorization of these Financial Statements, the IASB and the IFRS Interpretations Committee ("IFRIC") have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 Financial Instruments was issued in final form in July 2014 by the IASB and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; Lakeside Minerals Corp., 1183290 Alberta Inc., and Unite Capital Corp.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. The Company controls an entity when it is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All significant inter-company transactions and balances are eliminated on consolidation.

b) Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE").

c) Share based payments

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Share based payments (continued)

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be measured reliably, they are measured at fair value of the share-based payment.

The costs of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in reserve for options. Stock options expired and unexercised during the period are recorded a credit to share capital and a debit to share based payments reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

d) Compound instruments

The components of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the market interest rate then in effect for a similar convertible instrument. This amount is recorded as a liability, at amortized cost, using the effective interest rate method until its expiry at the time of conversion or maturity of the instrument. The equity component is determined by deducting the amount of the liability component of the total fair value of the compound instrument. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured. Transaction costs related to the issuance of the convertible debenture are allocated to the liability and equity components in proportion to their initial carrying amounts. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the debenture using the effective interest method. Interest and accretion expense are recognized as a finance cost in the consolidated statements of loss and comprehensive loss.

e) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Taxation (continued)

Deferred income tax

Deferred taxation is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred taxation is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred taxation liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

f) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. For the years ended January 31, 2016 and 2015, no potential shares are included in the computation as they are anti-dilutive. Basic and diluted loss per share are adjusted for the effects of consolidation (note 9).

g) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through net income/(loss). The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for when there is objective evidence of impairment. At January 31, 2016 and 2015, the Company has not classified any financial assets as available for sale or held to maturity.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable and accrued liabilities, convertible debentures and long-term debt are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statements of loss and comprehensive loss. At January 31, 2016 and 2015, the Company has not classified any financial liabilities as FVTPL.

In accordance with IFRIC 19, when debt is extinguished with equity, the difference between the carrying amount of the debt extinguished and the fair value of the equity is recognized in the consolidated statement of loss and comprehensive loss.

i) Impairment of financial assets

The Company assesses at each financial reporting date whether a financial asset is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in net income or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in net income or loss.

j) Cash

Cash in the statement of financial position comprises cash at banks which is available on demand.

k) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation, when renunciation occurs, associated with such flow-through share issuances, with the premium recognized as income. The Company takes the initial recognition exemption on deferred taxes as it relates to flow-through shares.

m) Share issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

n) Share capital

In situations where the Company issues units, the value of units is bifurcated and the value of warrants is included as a separate reserve of the Company's equity.

o) Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at January 31, 2016 and 2015, no provision for restoration was necessary.

p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Significant accounting judgements and estimates

The preparation of these consolidated financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to: recoverability of taxes receivable, valuation of deferred income tax amounts, determination of equity portion of convertible debentures, and the valuation of warrants and share-based payments. The most significant judgements relate to going concern assessment, recognition of deferred tax assets and liabilities, and the determination of the economic viability of a project.

4. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, reserves and accumulated deficit. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value; and
iii) exploring alternate sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

As at January 31, 2016, the Company's capital consists of share capital, conversion component of convertible debentures, reserves for warrants, reserves for options and accumulated deficit in the amount of $456,977 (January 31, 2015 - $214,518).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended January 31, 2016. The Company is not subject to externally imposed capital requirements.

5. RISK FACTORS

Fair value

The carrying amount of cash, accounts payables and accrued liabilities, convertible debentures and long-term debt approximate fair value due to the relative short maturity of these financial instruments. As at January 31, 2016, cash and cash equivalents are considered level 1.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with a reputable Canadian chartered bank. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. See Note 1 for the Company's requirement for additional financing in order to conduct its planned work, to meet ongoing levels of corporate overhead, and to discharge its liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at January 31, 2016, the Company had a cash balance of $1,261 (January 31, 2015 - $54,847) and current liabilities of $446,682 (January 31, 2015 - $183,044).

6. EXPLORATION AND EVALUATION EXPENDITURES

The Company is engaged, in acquiring, exploring, and developing mineral properties in the jurisdiction of Quebec. At January 31, 2016, Lakeside holds one main property, Launay. The Launay property, for which the Company incurred exploration and evaluation expenditures of $4,608 in 2016 and $184,469 in 2015, is briefly described below.

Launay Property

The property is located northeast of Rouyn-Noranda, in Launay, Privat, and Manneville Townships, northwestern Quebec. Through staking, option and purchase agreements, the Company consolidated a land package over the prospective Macamic deformation zone, a major deformation zone in the Abitibi subprovince. The Launay property currently comprises 108 non-contiguous claims:

- 28 claims, are under option agreement to the Company to acquire a 100% interest, subject to property payments, work commitments and subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- 21 claims, are 100% owned by the Company; these claims were purchased from Melkior Resources Inc. with Company shares: 15 of these claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000; the other 6 claims are subject to a 1% NSR with total buyback for $500,000.
- 9 claims, (initially 35 claims) are 100% owned by the Company; these claims were acquired from Les Explorations Carat Inc. with cash payments and Company shares; claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- 11 claims, are 100% owned by the Company; the claims were purchased from Jack Stoch Geoconsultant Services Ltd. with Company shares, subject to a 2% gross metal royalty ("GMR"); the Company has the option of first refusal to buy back a 1% GMR.

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Launay Property (continued)

- 9 claims, are 100% owned by the Company; these claims were purchased from 9219-8845 Québec inc. with Company shares; claims are subject to a 2% NSR with buyback of 1% NSR for $1,000,000.
- The remaining 30 claims were staked and are 100% owned by the Company.

The Company entered into an agreement with arm's length parties dated December 7, 2010, to acquire a 100% interest in the Launay property originally consisting of 29 non-contiguous claims. Pursuant to the terms of the Launay Agreement, the Company issued 1,000,000 (250,000 post consolidation) shares of its common stock issued at an estimated fair value of $0.05 per common share and paid $10,000 to the vendors immediately upon signing the agreement. The Company also agreed to issue an additional 750,000 (187,500 post consolidation) common shares and pay $90,000 as follows:

a) $15,000 due within seven days of the Company completing a going public transaction (paid).
b) $20,000 and 250,000 (62,500 post consolidation) shares on the first anniversary of the agreement (paid and issued).
c) $25,000 (amended as per below) and 250,000 (62,500 post consolidation) shares on the second anniversary.
d) $30,000 (amended as per below) and 250,000 (62,500 post consolidation) shares on the third anniversary.

The Company was to perform $250,000 in exploration on the mining claims over a period of three years from the date of the agreement, which was completed.

On October 22, 2012, the Company and its vendors amended the terms of the agreement relating to 29 of 229 claims of the Launay property. The cash payments of $25,000 payable on December 7, 2012 and $30,000 payable on December 7, 2013 were amended to:

a) $25,000 payable to the vendors on June 1, 2013 (amended as per below)
b) $30,000 payable to the vendors on June 1, 2014 (amended as per below)

All of the common shares issuable remain the same.

As of June 11, 2013, the Company and vendors negotiated an amendment to the terms of the option agreement relating to 29 claims of the Launay property. The cash payment of $25,000 payable on June 1, 2013 has been amended to $10,000 payable on June 1, 2013 (paid) and $15,000 payable on the earlier of the closing of any equity or convertible debt financing undertaken by the Company, or June 1, 2014 and $30,000 payable on June 1, 2014. In addition, the vendors acknowledge that the work commitments have been fulfilled and the Company's obligation is therein fully discharged.

On June 18, 2014, the Company amended the terms to its Launay property agreement. The final payment of $45,000 which had been due on June 1st, 2014 was restructured as follows:

- $30,000 will be payable in shares for a total issuance of 600,000 (issued) shares at $0.04
- $15,000 (paid) will be payable on June 30th, 2014
- An additional $15,000 will be payable on December 15th, 2014

6. EXPLORATION AND EVALUATION EXPENDITURES, (continued)

Launay Property (continued)

On December 11, 2014, the Company amended the Launay property agreement, to revise the payment schedule from $15,000 payable on December 15, 2014, to as follows:

a) $7,500 (paid) payable on December 15, 2014;
b) $7,500 payable on March 15, 2015.

On March 11, 2015, the Company amended the Launay property agreement, to revise the payment schedule from $7,500 payable on March 15, 2015, to June 15, 2015. On June 15, 2015, the Company amended the Launay property agreement, to revise the payment schedule from $7,500 payable on June 15, 2015, to October 31, 2015. The Company is currently negotiating a further extension to the final payment. As of the date of these financial statements this payment has not been made.

On April 30, 2012, the Company entered into an agreement with Melkior Resources Inc. (TSX-V: MKR) (“Melkior”) to acquire 21 mineral claims, the Trojan and Launay South blocks, which are adjacent to Lakeside’s Launay property claim blocks located in Privat and Launay Townships. Under the terms of the agreement, Lakeside acquired 100% interest in the mineral claims by issuing 750,000 (187,500 post consolidation) common shares (issued) to Melkior and recognizing the continuance of third party net smelter royalties on the mineral claims.

On June 5, 2012, the Company entered into an agreement with Les Explorations Carat Inc. (“Les Explorations”) to acquire 35 mineral claims, located east of the Rochette block and east and west of the Labreteche block. Under the terms of the agreement, Lakeside acquired 100% interest in the mineral claims by agreeing to make two cash payments of $5,000 each within 6 months (paid) and 12 months of the execution of the agreement; issuing 200,000 (50,000 post consolidation) common shares (issued) to Les Explorations; and, granting of a 2% net smelter royalty on the mineral claims. The Company can buy back half of the 2% net smelter royalty with a payment of $1,000,000.

Upon successful completion of all these obligations the vendor shall transfer title to the claims to the Company, subject to a NSR of 2%, of which a 1% NSR may be acquired upon payment of $1,000,000.

On September 7, 2012, the Company entered into an agreement with privately owned Jack Stoch Geoconsultant Services Ltd. (JSGS) to acquire 11 mineral claims, also known as the Freegold property. Under the terms of the agreement, the Company can acquire a 100% interest in the Freegold property subject to the Company issuing 600,000 (150,000 post consolidation) common shares (issued) to JSGS. JSGS retains a two percent (2%) GMR and the Company has the option of first refusal to buy back a one percent (1%) GMR.

On January 8, 2013, the Company entered into an agreement with 9219-8845 Quebec Inc. (“Canadian Mining House”) to acquire 15 mineral claims. Under the terms of the agreement, the Company can acquire 100% interest subject to the Company issuing 150,000 (37,500 post consolidation) shares. Canadian Mining House retains a 2% net smelter royalty on the claims. The Company can buy back half of the 2% net smelter royalty with a payment of $1,000,000.

(Expressed in Canadian Dollars)

7. HST RECEIVABLE AND OTHER RECEIVABLES

The Company's HST and other receivables arise from harmonized services tax ("HST"), and amounts due from government taxation authorities.

The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables, which are due in less than one year.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, professional fees, amounts payable for financing activities and payroll liabilities.

The following is an aged analysis of the accounts payables and accrued liabilities:

		January 31, 2016		January 31, 2015
Less than 90 days	**$**	**102,145**	$	64,973
Greater than 90 days		**344,537**		118,073
Total accounts payable and accrued liabilities	**$**	**446,682**	$	183,044

During the year ended January 31, 2016, the terms for two accounts totaling $nil (2015 - $86,425) in accounts payable were deferred on payment schedules extending to 2017, payable in monthly instalments of $750 and $500, with the outstanding balances of $64,316 and $13,109 due on April 30, 2016 and April 30, 2017 respectively. All amounts have been classified as current as of January 31, 2016 due to failure to adhere to terms of agreements.

9. SHARE CAPITAL

Share Issuances

<u>During the year ended January 31, 2016:</u>

(i) On March 16, 2015, the Company issued 59,507 common shares in exchange for payment of debenture interest of $2,975 resulting in a gain on settlement of debt of $2,380. Share issue costs included cash payments of $515.

(ii) On September 16, 2015, the Company issued 60,493 common shares in exchange for payment of debenture interest of $3,025 resulting in a gain on settlement of debt of $2,420. Share issue costs included cash payments of $515.

9. SHARE CAPITAL (continued)

<u>During the year ended January 31, 2015:</u>

(iii) On June 13, 2014, the Company completed the consolidation of its outstanding common shares on a ratio of 4 old for 1 new share. Number of shares for the year ended January 31, 2014 is adjusted for the effects of consolidation. Basic and diluted loss per share for the years ended January 31, 2015 and 2014, respectively are adjusted for effects of consolidation.

(iv) On June 15, 2014, the Company issued 600,000 shares at a price of $0.04 in exchange for mineral properties (note 6).

(v) On June 23, 2014, the Company entered into shares for debt agreements totalling $95,170, with arm's length and non-arm's length parties. Following the share consolidation, a total of 217,303 Lakeside units for gross proceeds of $10,865 were issued to unrelated parties for settlement of debt, and 1,686,107 Lakeside shares for gross proceeds of $67,444 were issued to insiders and related parties for outstanding fees. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 10.

The 1,686,107 Lakeside shares issued to insiders and related parties are for settlements of outstanding fees to the following: $51,605 to the Foundation Opportunities Inc., ("FOI"), with an officer in common, and $32,700 to Cavalry Corporate Solutions Ltd. ("Cavalry"), with a director in common.

(vi) On June 23, 2014, the Company entered into shares for debt agreement totalling $77,884, with an arm's length party. Following the share consolidation, a total of 1,557,676 Lakeside units for gross proceeds of $77,884 were issued to Forages M. Rouillier Drilling Inc, a Quebec-based underground and surface drilling company. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 10.

(vii) On June 23, 2014, the Company entered into shares for debt agreements totalling $15,641, with an arm's length party. Following the share consolidation, a total of 312,820 Lakeside units for gross proceeds of $15,641 were issued for settlement of debt. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 10.

(viii) On June 23, 2014, the Company entered into shares for debt agreement with an arm's length party. Following the share consolidation, an additional 1,652,000 Lakeside Units for gross proceeds of $82,600 was issued to an unrelated party for settlement of debt. Each unit is comprised of one share and one half share purchase warrant exercisable for a period of 36 months at $0.10. Details of the warrant valuation are described in Note 10.

(ix) On June 24, 2014, pursuant to the terms of the subscription agreement dated March 12, 2014 between Lakeside and Canada Pacific Capital Corp. ("Canada Pacific"), Canada Pacific subscribed for 5,800,000 units of Lakeside at a price of $0.05 per unit, for aggregate consideration of $290,000 in cash. Each unit consists of one common share and one-half of one common share purchase warrants exercisable at a price of $0.10 per share at any time prior the third anniversary of issuance. Details of the warrant valuation are disclosed in Note 10. Share issue costs of $43,675 were incurred.

The total aggregate amount of debt settled for shares is $271,295 that resulted in the issuance of 3,739,799 Lakeside units and 1,686,107 Lakeside shares. Share issue costs included cash payments of $2,806. The total gain on forgiveness of debt was $17,259.

(Expressed in Canadian Dollars)

10. RESERVE FOR WARRANTS

Warrants to purchase common shares carry exercise prices and terms to maturity at January 31, 2016 as follows:

Date of Expiry	No. of warrants	Exercise Price ($)
September 16, 2016	1,000,000	0.07
June 23, 2017	1,869,899	0.10
June 25, 2017	4,199,877	0.10
March 26, 2018	1,466,434	0.40
	8,536,210	0.15

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the fair value of the warrants and broker warrants granted during the year ended January 31, 2015:

Issue date	**June 23, 2014**	**June 24, 2014**	**June 24, 2014 (i)**	**September 16, 2014**	**Total**
No. of warrants	1,869,899	2,900,000	1,299,877	1,000,000	7,069,776
Share price	$ 0.04	$ 0.04	$ 0.04	$ 0.04	
Exercise price	$ 0.10	$ 0.10	$ 0.10	$ 0.07	
Expected life in years	3.00	3.00	3.00	2.00	
Volatility	100%	100%	100%	139%	
Risk-free interest rate	1.23%	1.21%	1.21%	1.23%	
Dividend yield	-	-	-	-	
Fair value of warrants	$ 37,000	$ 58,000	$ 26,000	$ 19,293	$ 140,293

(i) Issued as part of corporate acquisition (see Note 16)

Expected volatility is based on comparable companies.

11. RESERVE FOR OPTIONS

The Company awards stock options to directors, management and employees of the Company. The compensation expense is recognized when options are issued if exercisable immediately; otherwise, expense is recognized over the vesting term.

The Company established a stock option plan to provide additional incentive to its directors, officers, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. The stock option plan provides that the total number of shares which may be issued thereunder is limited to 10% of the aggregate number of shares outstanding. Under the terms of the plan, options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise stated. As at January 31, 2016, the Company has 2,437,022 (January 31, 2015 – 2,225,022 post share consolidation) options available for issuance under the plan.

(Expressed in Canadian Dollars)

11. RESERVE FOR OPTIONS (continued)

Lakeside has the following stock options outstanding:

	January 31, 2016		January 31, 2015	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding - beginning of year	**$ 0.93**	**237,500**	$ 0.85	562,500
Transactions during the year:				
Expired/cancelled	**0.80**	**(200,000)**	0.80	(325,000)
Outstanding	**$ 1.60**	**37,500**	$ 0.93	237,500
Exercisable	**$ 1.60**	**37,500**	$ 0.93	237,500

The weighted average remaining contractual life for outstanding options is as follows:

Price Range	Number of Options	Weighted Average Remaining Life (years)	Number of Options – exercisable	Weighted Average Exercise Price	Expiration Date
$1.60	37,500	0.89	37,500	$ 1.60	December 20, 2016

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimated, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. Expected volatility is based on comparable companies.

12. CONVERTIBLE DEBENTURES

On September 16, 2014, the Company closed a non-brokered private placement of an unsecured convertible debenture under SIDEX's program "Field Action 2014" for total gross proceeds of $50,000. The debentures mature 2 years from the closing date. These debentures were issued at face value and are convertible, at the option of the holder, at any time prior to the maturity date, into common shares of the Company at a conversion price equal to $0.05 per common share until September 16, 2015, and $0.10 per share from September 17, 2015 until September 16, 2016.

The rate of interest on the Debentures is 12% per annum, payable semi annually in equal installments on March 16, and September 16, of each year beginning on March 16, 2015, in cash or common shares of the Company. The debentures may be repaid at any time by the Company, subject to 45 days' notice, and is repayable at maturity in cash or shares at the option of the Company.

(Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES (continued)

As an incentive for purchasing Debentures, the Company issued 1,000,000 warrants at the closing. Each warrant is exercisable into shares at a price of $0.07 per Share, for a period of 2 years from the closing date and had a value of $19,293 (see note 10 for estimates used in the valuation of warrants). The warrant value of $19,293 prior to tax effect has been recognized in equity for the year ended January 31, 2015. The warrants are subject to a four month hold period from the date of issuance.

The debentures are classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debentures being less than face value. The discount is being accreted over the term of the debentures utilizing the effective interest rate method at a 36.92% discount rate. The interest rate to discount comparable debt without the conversion feature is 16%.

The following table reflects the continuity of convertible debentures for the year ended January 31, 2016 and 2015.

Balance, January 31, 2014		
Debentures issued	$	50,000
Transaction costs relating to convertible debentures – warrants, net of tax		(14,180)
Transaction costs relating to convertible debentures - cash		(2,500)
Conversion component of convertible debenture, net of tax		(6,002)
Interest expense		2,271
Accretion expense		3,329
Deferred tax liability		(7,277)
Balance, January 31, 2015	$	25,641
Interest expense		6,000
Accretion expense		13,555
Shares issued as interest payment		(1,200)
Gain on settlement of debt		(4,800)
Balance, January 31, 2016	$	39,196

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company and FMI Capital Advisory Inc. (“FMI”) (formerly Foundation Opportunities Inc.) entered into a financial advisory and consulting agreement on October 15, 2010. FMI is a subsidiary of Foundation Financial Holdings Corp. (“FFHC”). FFHC is an entity in which Adam Szweras, an officer of the Company, is a director of FFHC and his minor children hold an indirect interest, and Yannis Banks, a director and former officer of the Company, holds an interest. For the year ended January 31, 2016, the Company was charged $54,000 for consulting by FMI (2015 - $80,000). At January 31, 2016, $107,231 (January 31, 2015 - $45,250) is included in accounts payable and accrued liabilities.

The Company and Cavalry Corporate Solutions Inc. (“Cavalry”) entered into a management services agreement on November 1, 2010. The management services agreement includes the services of the Company’s Chief Financial Officer (“CFO”). Cavalry is an entity in which FFHC is the sole shareholder. The agreement was terminated on February 28, 2014. For the year ended January 31, 2016, the Company recorded $nil (2015 - $5,000) for management services provided by Cavalry. At January 31, 2016, $11,300 (January 31, 2015 - $11,300) is included in accounts payable and accrued liabilities.

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

The Company and Branson Corporate Services ("Branson") entered into a management services agreement on March 1, 2014, which includes the services of the Company's Chief Financial Officer ("CFO"), as well as other accounting and administrative services. Branson is an entity in which FFHC owns 49% of the shares. In consideration for services the Company agreed $5,000 per month for services. For the year ended January 31, 2016, the Company recorded $66,000 (2015 - $50,250) for management services provided by Branson. At January 31, 2016, $69,813 (January 31, 2015 - $5,403) is included in accounts payable and accrued liabilities in relation to Branson.

During the year ended January 31, 2016, Fogler Rubinoff LLP ("Fogler") a law firm in which Adam Szweras an officer of the Company is also a partner, provided $19,491 (2015 - $47,607) of legal services, which are included in professional fees and cost of share issuance in equity. Of this amount in 2015, $36,126 was related to the cost of share issuance in equity in relation to the Canada Pacific Capital Corp and Unite Capital Corp transactions. At January 31, 2016, $60,233 (January 31, 2015 - $50,642) is included in accounts payable and accrued liabilities to Fogler.

During the year ended January 31, 2016, $12,500 (2015 - $40,269) was paid to the former Chief Executive Officer. As at January 31, 2016, $633 (January 31, 2015 - $nil) is included in accounts payable and accrued liabilities.

No compensation was paid to the current Chief Executive Officer and $8,390 ($2015 - $nil) is included in accounts payable and accrued liabilities related to expense reimbursement.

14. SEGMENTED INFORMATION

At January 31, 2016, the Company's operations comprise of a single reporting operating segment engaged in mineral exploration in Quebec.

15. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

16. CORPORATE ACQUISITION

Unite Capital Corp:

On June 24, 2014, Lakeside acquired 100% of the issued and outstanding shares of Unite Capital Corp. ("Unite"). Pursuant to the acquisition, the Company issued 2,599,753 Lakeside Shares and 1,299,877 warrants in exchange for the outstanding common shares of Unite. Each warrant entitles the holder to purchase one Lakeside share at a price of $0.10 per share for a period of three years from issuance. All of the outstanding stock options of Unite were cancelled on completion of the transaction. Since the Acquisition resulted in the Lakeside shareholders holding 100% of the issued and outstanding shares of Unite, Lakeside is considered to be the acquirer for accounting purposes. The operations and changes in cash flow of Unite have been included from the date control was acquired (i.e. June 24, 2014). As Unite does not meet the definition of a business per IFRS 3, the Acquisition of Unite has been accounted for as an asset acquisition, whereby Lakeside is considered to issue additional shares in return for the net assets of Unite at their fair value as follows:

The following summarizes the consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration:		
Shares issued on acquisition		69,064
Warrants considered issued on acquisition (Note 13)		17,268
Total	$	86,332
Identifiable net assets acquired:		
Cash		122,055
Accounts payable and accrued liabilities		(35,723)
Total	$	86,332

17. INCOME TAX

Provision for Income Taxes

No deferred tax asset has been recognized because of the uncertainty as to the utilization of the losses for income tax purposes. The Company has accumulated losses for Canadian income tax purposes of approximately $3,846,408 (2015 - $3,525,391) which will expire between 2028 and 2036.

The Company has not deducted Canadian exploration and development expenditures of $640,237 (2015 - $635,629) available for deduction against future Canadian taxable income.

	January 31, 2016	January 31, 2015
Loss before income taxes	$ (242,629)	$ (474,069)
Tax rate	26.50%	26.50%
Calculated income tax recovery	(64,297)	(125,628)
Non deductible expense and non taxable income	(1,106)	171
Change in rate and others	(273)	(12,317)
Change in deferred taxes not recognized	65,676	130,497
Deferred income tax recovery	$ -	$ (7,277)

(Expressed in Canadian Dollars)

17. INCOME TAX (continued)

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

	January 31, 2016	January 31, 2015
Deferred income tax assets		
Non-capital loss carry forwards	$ 1,019,298	$ 934,228
Convertible debt	(2,803)	(6,395)
Share issue costs	24,958	49,165
Cumulative exploration and development expenses	169,663	168,442
	1,211,116	1,145,440
Less: Deferred taxes not recognized	(1,211,116)	(1,145,440)
	$ -	$ -