Notice to Reader

The attached Interim Financial Statements of The Tinley Beverage Company Inc. for the first quarter ended March 31, 2016 is being filed with the applicable securities administrators to reflect the following typographical changes only:

1. Statements of Financial Position: *Typos corrected* - "March 31," is added to top of column "2016" and "December 31" added to top of column "2015".

No amendments have otherwise been made to any amount, balance or disclosure in the attached disclosure.

July 13, 2016

THE TINLEY BEVERAGE COMPANY INC.
(formerly QUIA RESOURCES INC.)

Unaudited Interim Condensed Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three month periods ended
March 31, 2016 and 2015

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of The Tinley Beverage Company Inc. (formerly Quia Resources Inc.), are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed 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 date of the statement of financial position. 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 unaudited interim condensed 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 unaudited interim condensed 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.

”Jeffrey Maser”, CEO
Jeffrey Maser

“Amy Stephenson”, Interim CFO
Amy Stephenson

NOTICE TO READER

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three months ended March 31, 2016 and 2015 have not been reviewed by the Company’s auditors.

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Notes		March 31, 2016		December 31, 2015
Assets					
Current Assets					
Cash		$	**765,954**	$	1,011,944
Sales tax receivable			**33,772**		87,694
Prepaid expenses			**47,885**		53,389
			847,611		1,153,027
Intangible assets	4		**162,500**		162,500
		$	**1,010,111**	$	1,315,527
Liabilities					
Current Liabilities					
Trade and other payables		$	**47,100**	$	51,162
			47,100		51,162
Shareholders' Equity					
Share capital	6		**16,252,673**		16,251,633
Shares to be issued	6		**150,000**		150,000
Reserve for warrants	8		**5,633,110**		5,633,110
Reserve for share based payments	7		**1,544,996**		1,500,935
Reserve for foreign exchange losses			**(52,322)**		(20,676)
Accumulated deficit			**(22,565,446)**		(22,250,637)
			963,011		1,264,365
		$	**1,010,111**	$	1,315,527

Nature of Operations and Going Concern (Note 1)
Segmented Information (Note 9)

Approved on behalf of the Board of Directors on May 26, 2016:

"Jeffrey Maser" (signed) — *CEO and Director*

"Adam Szweras" (signed) — *Director*

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

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the three month period ended March 31,	Notes		2016		2015
Expenses					
Management and consulting		$	114,300	$	30,000
Office and general			77,033		44,403
Professional fees			19,563		177
Product development			43,773		-
Share based payments - options	7		44,061		2,475
Share based payments - shares	6		1,042		-
Travel and promotion			37,422		638
Foreign exchange (gain) loss			(22,385)		4,308
			(314,809)		(82,001)
Net income (loss)			**(314,809)**		(82,001)
Other comprehensive loss					
Items that will be reclassified subsequently to loss					
Exchange differences on translating foreign operations			(31,646)		(748)
Total comprehensive loss		**$**	**(346,455)**	$	(82,749)
Loss per share-basic and diluted					
Income (loss) per share - net income (loss)		**$**	**(0.007)**	$	(0.004)
Weighted average number of shares outstanding			**42,310,480**		22,908,807

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

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders’ Equity

(Expressed in Canadian Dollars)

	Notes	Share Capital		Reserves						
		Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Conversion component of convertible Debentures	Shares to be issued	Deficit	Total
Balance at December 31, 2014		**4,581,761**	**$ 14,011,456**	**$ 1,495,300**	**$ 5,080,491**	**$ (27,035)**	**$ 84,995**	**$ -**	**$ (21,520,180)**	**$ (874,973)**
Share based payments		-	-	2,475	-	-	-	-	-	2,475
Exchange loss on translating foreign operation		-	-	-	-	(748)	-	-	-	(748)
Net loss for the year		-	-	-	-	-	-	-	(82,001)	(82,001)
Balance at March 31, 2015		**4,581,761**	**14,011,456**	**1,497,775**	**5,080,491**	**(27,783)**	**84,995**	**-**	**(21,602,181)**	**(955,247)**
Share based payments		-	-	3,160	-	-	-	-	-	3,160
Private placement		7,600,000	259,989	-	120,011	-	-	-	-	380,000
Shares issued for settlement of debentures		4,721,873	350,552	-	(19,475)	-	(84,995)	-	(37,679)	208,403
Shares issued for settlement of trade and other payables		6,639,000	398,340	-	-	-	-	-	-	398,340
Shares issued for settlement of promissory notes		3,501,179	210,071	-	-	-	-	-	-	210,071
Private placement		15,100,000	1,057,917	-	452,083	-	-	-	-	1,510,000
Contingent shares issued		166,667	8,333	-	-	-	-	-	-	8,333
Contingent shares to be issued		-	-	-	-	-	-	150,000	-	150,000
Cost of issuance		-	(45,025)	-	-	-		-	-	(45,025)
Exchange loss on translating foreign operation		-	-	-	-	7,107	-	-	-	7,107
Net loss for the year		-	-	-	-	-	-	-	(610,777)	(610,777)
Balance at December 31, 2015		**42,310,480**	**$ 16,251,633**	**$ 1,500,935**	**$ 5,633,110**	**$ (20,676)**	**$ -**	**$ 150,000**	**$ (22,250,637)**	**$ 1,264,365**
Share based payments		-	-	44,061	-	-	-	-	-	44,061
Contingent shares issued		20,833	1,040	-	-	-	-	-	-	1,040
Contingent shares to be issued		-	-	-	-	-	-	-	-	-
Exchange loss on translating foreign operation		-	-	-	-	(31,646)	-	-	-	(31,646)
Net loss for the year		-	-	-	-	-	-	-	(314,809)	(314,809)
Balance at March 31, 2016		**42,331,313**	**$ 16,252,673**	**$ 1,544,996**	**$ 5,633,110**	**$ (52,322)**	**$ -**	**$ 150,000**	**$ (22,565,446)**	**$ 963,011**

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

The Tinley Beverage Company Inc. (formerly Quia Resources Inc.)
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three month period ended March 31,	**Notes**	**2016**	2015
Operating Activities			
Net income (loss)		$ **(346,455)**	$ (82,001)
Adjustments to reconcile net loss to cash flow from operating activities:			
Share based payments - options	7	**44,061**	2,475
Share based payments - shares	6	**1,040**	-
Interest		**-**	8,756
Unrealized foreign exchange loss (gain)		**6,285**	4,308
Net change in non-cash working capital items:			
Prepaid expenses		**5,504**	15,000
Sales tax receivable		**53,922**	726
Trade and other payables		**(10,347)**	8,456
Cash flow used in operating activities		**(245,990)**	(42,280)
Financing Activities			
Amounts received from (paid to) related parties		**-**	39,785
Loans received (paid)		-	2,400
Cash flow provided from financing activities		-	42,185
Net increase (decrease) in cash		**(245,990)**	(95)
Cash, beginning of year		**1,011,944**	196
Cash, end of year		$ **765,954**	$ 101

1. NATURE OF OPERATIONS AND GOING CONCERN

The Tinley Beverage Company Inc. (the "Company" or "Tinley"), formerly Quia Resources Inc. was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. On October 6, 2015, the Company completed the Change of Business (as hereinafter defined), and pursuant to the Articles of Amendment dated October 6, 2015, the Company changed its name to "The Tinley Beverage Company Inc". The Company's objective is to develop and launch a line of hemp oil-based functional beverages, and was up until the change in business, engaged in the acquisition, exploration and development of properties for the mining of agricultural minerals in North America and Colombia. The address of the Company's registered office is Suite 2905 – 77 King Street West Toronto, Ontario, M5K 1H1.

On October 6, 2015, the Company completed the consolidation of issued and outstanding common shares on the basis of 5:1. This has been reflected in the comparative figures presented.

As at March 31, 2016, the Company has a working capital of $800,511 (December 31, 2015 – $1,101,865), has an accumulated deficit of $22,565,446 (December 31, 2015 - $22,250,637) and has a loss of $(346,455) for the three months ended March 31, 2016 (2015 – $82,749). The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company raising sufficient funds to finance development activities, and secure distribution channels. These circumstances may cast substantial doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern. These financial statements have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's unaudited interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The statements do not include all of the information that would be required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2015.

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on May 26, 2016.

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2015 annual financial statements.

2. BASIS OF PRESENTATION (continued)

2.3 Adoption of new and revised standards and interpretations

Standards and interpretations adopted
The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2015. For the purpose of preparing and presenting the Financial Information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

3. NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted.

- IFRS 9 '*Financial Instruments: Classification and Measurement*' – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company is currently analyzing the possible impact of this Standard on its consolidated financial statements.

- IFRS 15 '*Revenue From Contracts with Customers*' – was issued by IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company will adopt this new standard as of its effective date. The Company is currently analyzing the possible impact of this Standard on its consolidated financial statements.

- IAS 7 amendments include additional disclosures to enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments become effective for annual periods beginning on or after January 1, 2017. The Company will adopt the amendments as of the effective date. The Company is currently analyzing the possible impact of the amendments on its consolidated financial statements.

- IFRS 16 '*Leases*' – was issued in January 2016 and replaces the previous guidance on leases. This standard provides a single recognition and measurement model to be applied to leases, with required recognition of assets and liabilities for most leases. This standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if the Company is also applying IFRS 15, Revenue from Contracts with Customers. The Company is currently evaluating the impact of the adoption of this new standard on its consolidated financial statements.

(Expressed in Canadian Dollars)

4. BUSINESS COMBINATION

On October 29, 2015, the Company acquired all of the intangible assets from Jeff Maser (Maser) for $162,500 payable in cash and shares.

The consideration transferred includes the following:

Consideration transferred	$
Cash	12,500
Consideration shares	150,000
Total	162,500

The arrangement between the parties provides for the payment of consideration shares of 3,000,000 common shares at a price of $0.05 per share, issued on December 23, 2015 and subject to performance escrow based on Tinley meeting an earnings target within five years of closing. Over these five years, the Company will release consideration of 1,500,000 consideration shares if sales exceed $1 million over any four consecutive quarters. An additional 1,500,000 consideration shares will be released if sales exceed $3 million over any four consecutive quarters.

Goodwill calculated in this acquisition represents the expected synergies from combining the operations of Maser with the Company, revenue growth, future market development and customer relations. These benefits are not recognized separately from goodwill since the resulting future economic benefits cannot be measured reliably. Goodwill from this acquisition represents a negligible amount at the acquisition date:

Consideration transferred	$
Consideration transferred	162,500
Fair value of net assets acquired	(162,500)
Goodwill	-

The fair value of net assets acquired from Maser is broken down as follows:

	$
Intangible assets	162,500
Total assets	162,500
Total liabilities	-
Net assets acquired	162,500

The fair value of the net assets acquired was determined using management's estimates. There is no impact of the acquisition on revenues and gross margin.

5. INTEREST IN MINERAL PROPERTIES

San Lucas Property

On October 26, 2007, the Company acquired 17 mineral properties in Bolivar, Colombia for $500,000. In exchange for this non-monetary transaction, the Company issued 10,000,000 common shares at a market price of $0.05 per share, to the vendor of the claims.

On June 19, 2014, the Company entered into an agreement with Enneract Corporation ("Enneract"), a private Panamanian company, to sell 100% of the issued and outstanding shares of its subsidiary, San Lucas Gold Corp, which holds the San Lucas gold property in Colombia.

Under the terms of the agreement, the Company received a number of common shares resulting in an equity ownership of 5% of Enneract, as well as a 2% smelter return royalty, of which Enneract can buy back half for US $500,000.

Murdock Mountain Property:

On November 11, 2013 the Company acquired 2243734 Ontario Limited ("2243734") which holds an option to earn a 65% interest in the Murdock Mountain phosphate project in Nevada.

Under the terms of the option agreement and subject to closing the acquisition, the Company will have the right to earn a 65% interest by investing an aggregate of $1,000,000 into the development of the project. As an initial step, the Company has earned 10% by funding $102,000, which has been paid towards technical and environmental studies which are already in process, creditable against the $1,000,000 work commitment, and then earn an additional 55%, for a total of 65%, by funding the balance of the $1,000,000. The Company shall have 2 years from the date of the option agreement to complete the earn-in and can obtain two extensions to the earn-in period of 6 months each, for a total of 3 years, by paying $30,000 for each extension. The option agreement has been further amended on October 9, 2014 to extend the earn-in time by 6 months and provides for further automatic extensions based upon the timelines for the Bureau of Land Management to conclude their sage grouse study being conducted for the State of Nevada, and Northeastern California, which encompasses the Murdock Mountain area.

On October 9, 2014, the Company contributed $26,500 towards the aforementioned option agreement.

On March 3, 2016, the Company completed the sale of its interest in the San Lucas and Murdock Mountain properties to a company, in which a former Director of the Company and the wife of a Director, are owners, as described in note 10.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

(i) On June 10, 2014, the Company consolidated its common shares on the basis of one new common share for ten old common shares.

6. SHARE CAPITAL (continued)

(ii) On June 10, 2014, the Company settled $331,916 in debt through the issuance of 4,741,656 common shares. The common shares were valued at $237,083 based on the stock market price on the date of settlement. As a result, the Company recorded a gain on settlement of debt of $94,833 for the year ended December 31, 2014.

(iii) On September 30, 2015, the Company converted $398,340 of trade and other payables, $210,071 of promissory notes and $389,754 of convertible debentures into 6,639,000, 3,501,179 and 4,721,873 post-consolidation common shares respectively. In addition, 591,339 warrants were issued on conversion of debentures.

(iv) In August 2015, the Company closed two tranches of a non-brokered private placement consisting of an aggregate of 38,000,000 (7,600,000 post-consolidation) units for aggregate gross proceeds of $380,000. Each units is comprised of one (1) Common Share and one half (1/2) of one Common Share purchase warrant, with each whole Warrant exercisable into one (1) Common Share at a price of $0.02 ($0.10 post-consolidation) per Common Share for a period of 24 months after the closing date. The term of the Private Placement Warrants is subject to an acceleration right at the option of the Company, provided that the Common Shares trade at or above $0.05 ($0.25 post-consolidation) and the Company has provided the warrant holders with a 30 days prior written notice of the accelerated warrant exercise date.

(v) On October 6, 2015, the Company completed the consolidation of issued and outstanding common shares on the basis of 5:1.

(vi) On October 29, 2015, the Company issued 500,000 common shares at $0.05 per share as compensation for services, 375,000 of which are subject to performance escrow requirements, 41,667 of which were released from escrow at December 31, 2015.

(vii) On November 3, 2015, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $1,170,500, issuing a total of 11,705,000 units of the Issuer at a price of $0.10 per Unit. Each Unit consists of one (1) Common Share and one half (1/2) of one Common Share purchase warrant. Each full Warrant entitles the holder to acquire one (1) Common Share at a price of $0.20 per Common Share for a period of 24 months from the closing date. The First Tranche forms a part of a broader non-brokered private placement of up to $1,500,000, whereby up to 15,000,000 Units are offered.

(viii) On December 11, 2015, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $284,500, issuing a total of 2,845,000 units of the Issuer at a price of $0.10 per Unit. Each Unit consists of one (1) Common Share and one half (1/2) of one Common Share purchase warrant. Each full Warrant entitles the holder to acquire one (1) Common Share at a price of $0.20 per Common Share for a period of 24 months from the closing date. The Second Tranche forms a part of a broader non-brokered private placement of up to $1,500,000, whereby up to 15,000,000 Units are offered.

(ix) On December 18, 2015, the Company closed the third tranche of a non-brokered private placement for gross proceeds of $55,000, issuing a total of 550,000 units of the Issuer at a price of $0.10 per Unit. Each Unit consists of one (1) Common Share and one half (1/2) of one Common Share purchase warrant. Each full Warrant entitles the holder to acquire one (1) Common Share at a price of $0.20 per Common Share for a period of 24 months from the closing date. The Third Tranche

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

forms a part of a broader non-brokered private placement of up to $1,500,000, whereby up to 15,000,000 Units are offered.

(x) On December 23, 2015, the Company issued 3,000,000 common shares at $0.05 per share to satisfy the asset purchase agreement, signed on October 29, 2015, subject to regulatory escrow requirements and additional performance escrow requirements (note 4).

(xi) On December 23, 2015, the Company issued 500,000 performance common shares at $0.05 per share, subject to performance escrow requirements to be released on a quarterly basis. As at March 31, 2016, 187,500 shares were released.

7. SHARE BASED PAYMENTS

Tinley established a stock option plan to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. Options issued before 2014 vest immediately. Options issued in 2014 and 2015 vest evenly over five years and two years, respectively. All options expire on the fifth anniversary from the date of issue unless otherwise specified.

A summary of stock options issued and outstanding is as follows:

	March 31, 2016		December 31, 2015	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of year	**$ 0.46**	**2,084,500**	$ 2.40	329,190
Granted	**0.11**	**2,308,000**	0.11	1,810,500
Expired	**1.51**	**(264,000)**	0.50	(55,190)
Cancelled	**0.11**	**(112,500)**	-	-
Outstanding at end of period/year	**$ 0.19**	**4,016,000**	$ 0.46	2,084,500
Exercisable at end of period/year	**$ 0.53**	**763,313**	$ 2.95	196,000

The following table provides additional information about outstanding stock options at March 31, 2016:

Exercise Price Range	Number of Options Outstanding	Weighted Average Remaining Life (Years)
$0.08	250,000	4.93
$0.11	3,756,000	4.75
$32.50	10,000	0.003
$0.08 - $32.50	4,016,000	4.75

(Expressed in Canadian Dollars)

7. SHARE BASED PAYMENTS (continued)

The estimated fair value of share based compensation the three months ended March 31, 2016 was determined using the Black-Scholes option pricing model with the following assumptions:

Grant date	January 27, 2016	March 3, 2016
Number of options	2,058,000	250,000
Exercise price	$0.110	$0.080
Share price	$0.060	$0.070
Expected life of options	5 years	5 years
Expected volatility	250%	250%
Risk-free interest rate	0.68%	0.68%
Expected dividend yield	0%	0%

The estimated fair value of share based compensation during the year ended December 31, 2015 was determined using the Black-Scholes option pricing model with the following assumptions:

Grant date	October 29, 2015	December 23, 2015
Number of options	900,000	910,500
Exercise price	$0.110	$0.110
Share price	$0.050	$0.050
Expected life of options	5 years	5 years
Expected volatility	250%	250%
Risk-free interest rate	0.75%	0.65%
Expected dividend yield	0%	0%

Share based payments

(i) During the three months ended March 31, 2016, $35,245 of share based payments expense was recognized in relation to the vesting of the options issued on January 27, 2016 and March 3, 2016.

(ii) During the three months ended March 31, 2016, $8,816 of share based payments expense was recognized in relation to the vesting of the options issued on October 29, 2015 and December 23, 2015 respectively.

Period ended		March 31, 2016		December 31, 2015
Balance at beginning of year	$	1,500,935	$	1,495,300
Options issued		44,061		5,635
Balance at end of year	$	1,544,996	$	1,500,935

(Expressed in Canadian Dollars)

8. WARRANTS

Month of Expiry	No. of Warrants	Weighted Average Exercise Price
		($)
June 10, 2016	163,633	0.50
June 17, 2017	453,738	0.75
August 13, 2017	3,200,000	0.10
August 23,2017	600,000	0.10
September 30, 2017	591,339	0.20
November 3, 2017	5,852,500	0.20
December 11, 2017	1,422,500	0.20
December 18, 2017	275,000	0.20
	12,558,710	0.19

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2015:

Grant date	August 13, 2015	August 23, 2015	September 30, 2015	November 3, 2015	December 11, 2015	December 18, 2015	Totals
No. of warrants	3,200,000	600,000	591,339	5,852,500	1,422,500	275,000	11, 941,339
Exercise price	$ 0.10	$ 0.10	$ 0.20	$ 0.20	$ 0.20	$ 0.20	
Expected life in years	2	2	2	2	2	2	
Volatility	250%	250%	250%	250%	250%	250%	
Risk-free interest rate	0.41%	0.33%	0.52%	0.59%	0.48%	0.50%	
Dividend yield	-	-	-	-	-	-	-

The following table summarizes the assumptions used with the Black-Scholes valuation model during the year ended December 31, 2014:

Grant date	June 10, 2014	June 17, 2014	Totals
No. of warrants	163,633	453,738	617,371
Exercise price	$ 0.50	$ 0.75	
Expected life in years	2	3	
Volatility	100%	100%	
Risk-free interest rate	1.08%	1.20%	
Dividend yield	-	-	

Volatility on the above warrant valuations were based on the volatility of similar companies.

Year ended	**No. of Warrants**	**March 31, 2016**	No. of Warrants	December 31, 2015
Balance at beginning of year	**12,558,710**	**$ 5,633,110**	683,515	$ 5,080,491
Warrants issued	-	-	11,941,339	552,619
Warrants expired	-	-	(66,144)	-
Balance at end of year	**12,558,710**	**$ 5,633,110**	12,558,710	$ 5,633,110

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION

For the periods ending,	March 31, 2016	December 31, 2015
	$	$
Net (income) loss		
Canada	(313,685)	-
United States of America	(20,022)	-
	(333,707)	-
Significant non-cash items		
Share based payments - options	28,200	-
Share based payments - shares	1,042	-
	29,242	-

As at,	March 31, 2016	December 31, 2015
Total assets		
Canada	966,700	-
United States of America	43,411	-
	1,010,111	-
Total Liabilities		
Canada	45,974	-
United States of America	1,125	-
	47,099	-

There were no reportable segments in 2015.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the three month period ended March 31, 2016, $2,250 (2015 - $4,050) was incurred for rent to FMI Capital Advisory Inc. (formerly Foundation Opportunities Inc.) ("FMICAI"), a company in which the Secretary and Director of the Company, has an indirect interest, through a family trust for the benefit of the minor children of the director. The Company and FMICAI also entered into a consulting agreement on May 15, 2015. In consideration for services, the Company agreed to pay a monthly fee of $10,000. For the three months ended March 31, 2016, $30,000 (2015 - $nil) was incurred. At March 31, 2016, included in accounts payable is $nil (December 31, 2015 - $nil) payable to FMICAI.

During the three months ended March 31, 2016, $12,149 (2015 - $177) in legal fees were incurred for services provided by a law firm in which the Secretary and Director of the Company is a partner. At March 31, 2016, included in accounts payable is $3,329 (December 31, 2015 - $2,403) payable to this law firm.

During the three months ended March 31, 2016, $39,000 (2015 - $nil) was paid for services to the chief executive officer (the "CEO").

During the three months ended March 31, 2015, $nil (2015 - $15,000) was paid for services to the former chief executive officer (the "CEO"). As at March 31, 2016, $nil (December 31, 2015, $nil) is payable to the former

(Expressed in Canadian Dollars)

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

CEO and is included in due to related parties.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement which includes the services of the Company's Chief Financial Officer. Branson is an entity in which Foundation Financial Holdings Corp owns 49% of the shares. During the three months ended March 31, 2016, $15,300 (2015 - $15,000) in management, accounting and administrative services were provided by Branson. As at March 31, 2016 $nil (December 31, 2015 - $nil) is included in accounts payable.

During the three months ended March 31, 2016, $15,000 (2015 – $nil) was paid for services to a Director. As at March 31, 2016, $nil (December 31, 2015 - $nil) is included in accounts payable.

In 2014, the Company issued $340,286 in convertible debentures. Of this amount, $79,000 in debentures was purchased by directors of the Company, $75,000 was purchased by a company in which one of the directors is the chief executive officer, and, $80,000 in debentures was issued to an individual who is related to a director. The terms of these debentures can be found in note 11. The debentures were converted into post-consolidation 2,654,395 common shares and 508,735 warrants on September 30, 2015.

Pursuant to the debt settlement agreement as described in Note 6, $245,675 of the trade and other payables, $268,017 of the debentures, and $210,071 of the promissory notes owing to related parties has been converted to common shares and warrants.

On March 3, 2016, the Company completed the sale its interest in the San Lucas and Murdock Mountain properties (note 5) to a Company, in which a former Director of the Company and the wife of a Director, are owners, in exchange for an assumption of accounts payable in the amount of $17,340 and other contingent liabilities.

Key Management compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors. Compensation provided to key management is as follows:

	Three months ended March 31,	
	2016	2015
Short-term employee benefits, including salaries and fees	99,300	15,000
Share-based compensation	29,561	1,980
Professional fees	12,149	15,177
	141,010	32,157

11. CONVERTIBLE DEBENTURES

On June 17, 2014, the Company closed its non-brokered private placement of secured convertible debentures (the "Debentures") for total gross proceeds of $340,286. 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 $0.50 per common share (post-consolidation). The debentures mature 3 years from the closing date. The debentures are secured by the shares currently owned by the Company in the capital stock of 2243734 Ontario Ltd which owns the Company's interest in the Murdock Mountain property.

11. CONVERTIBLE DEBENTURES

The rate of interest on the Debentures is 14% per annum, payable semi-annually in common shares of the Company on December 31, and June 30, of each year beginning on December 31, 2014.

As an incentive for purchasing Debentures, the Company issued to subscribers 1333 post-consolidation bonus warrants for every $1,000 of Debentures purchased, which resulted in the issuance 453,738 post-consolidation bonus warrants. Each bonus warrant is exercisable into shares at a price of $0.75 per share (post-consolidation), for a period of 3 years from the closing date and had a value of $58,677 (see note 8 for estimates used in the valuation of warrants). The warrant value of $58,677 has been recognized in equity for the year ended December 31, 2014.

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 debenture being less than face value.

On September 30, 2015, the Company converted the convertible debentures into 4,721,873 common shares and 591,339 warrants (see note 6 and 8). As at December 31, 2015 and March 31, 2016, the Company has no convertible debentures outstanding.

12. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, shares to be issued, reserve for warrants and reserve for share based payments. 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.

As at March 31, 2016, the Company considers its capital to be share capital, shares to be issued, reserve for warrants, reserve for share based payments, reserve for foreign exchange gains (losses), totaling $963,011 (2015 – deficit of $1,264,365).

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 three months ended March 31, 2016. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL AND OTHER RISK FACTORS

Fair Value

The carrying amount of due to related parties and trade and other payables approximates fair value due to the relatively short term maturity of these financial instruments. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable Canadian and United States chartered banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal.

13. FINANCIAL AND OTHER RISK FACTORS (continued)

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. 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 March 31, 2016, the Company had a cash balance of $765,954 (December 31, 2015 - $1,011,944) to settle current liabilities of $47,100 (December 31, 2015 - $51,162).

All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms. The Company feels there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holding cash.

Foreign Currency Risk

The Company operates in Canada and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar denominated obligations.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts payable, due to related parties, loans and interest payable that are denominated in US dollars. As at March 31, 2016, had the Canadian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Company's comprehensive loss for the year ended March 31, 2016 would have been approximately $7,120 higher/lower respectively as a result of foreign exchange losses/gains on translation of US dollar denominated financial instruments.

(ii) Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	March 31, 2016	December 31, 2015
Less than 1 month	**$39,320**	$24,258
1 to 3 months	**3,279**	22,648
Over 3 months	**4,502**	4,256
Total Trade and Other Payables	**$47,100**	$51,162