



Mezzotin Minerals Inc.

**Unaudited Condensed Interim Consolidated Financial Statements
For the Three and Six Months ended June 30, 2016
(Expressed in Canadian Dollars)**

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Mezzotin Minerals Inc. (the "Company") for the three and six months ended June 30, 2016 have been prepared by management and approved by the Board of Directors of the Company. These statements have not been audited, reviewed or verified by the Company's external auditors or any other accounting firm.

Mezzotin Minerals Inc.**Unaudited Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)**

	June 30, 2016	December 31, 2015
	Unaudited	Audited
Assets		
Current Assets		
Cash	\$ 131,865	\$ 70,977
Amounts receivable and other assets	6,793	11,151
Total Current Assets	138,658	82,128
Non-Current Assets		
Property and equipment (note 5)	255,935	303,316
Exploration and evaluation assets (note 6)	545,387	584,359
Total Assets	\$ 939,980	\$ 969,803
Liabilities		
Current Liabilities		
Trade payables and accruals (note 7)	\$ 206,966	\$ 180,025
Due to government agencies	42,146	45,497
Total Current Liabilities	249,112	225,522
Loan Payable (note 8)	324,316	194,840
Total Liabilities	573,428	420,362
Shareholders' Equity		
Share capital (note 9)	3,397,479	3,397,479
Other capital reserve	649,725	649,725
Foreign currency translation reserve	142,785	183,862
Deficit	(3,823,437)	(3,681,625)
Total Shareholders' Equity	366,552	549,441
Total Liabilities and Shareholders' Equity	\$ 939,980	\$ 969,803

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

Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
For the Three and Six Months Ended June 30
(Expressed in Canadian Dollars)

	Three Months		Six Months	
	2016	2015	2016	2015
Operating Expenses				
Consulting fees	\$ 10,500	\$ 10,500	\$ 21,000	\$ 18,000
Professional fees	21,149	13,441	33,214	19,441
Salaries and wages	5,717	980	11,809	10,859
Regulatory and shareholder	12,839	3,314	20,742	9,195
General and administrative	14,736	21,257	32,658	40,752
Depreciation	13,201	25,643	27,999	27,168
Total operating expenses	78,142	75,135	147,422	125,415
Operating loss	(78,142)	(75,135)	(147,422)	(125,415)
Other Income and expenses				
Rental income	(2,899)	(2,767)	(5,989)	(5,560)
Finance income	-	(6)	-	(6)
Interest expense	201	208	379	208
Total other income	(2,698)	(2,565)	(5,610)	(5,358)
Net loss	(75,444)	(72,570)	(141,812)	(120,057)
Other Comprehensive Income				
Foreign currency translation gain (loss)	(4,223)	(12,796)	(36,854)	62,424
Comprehensive loss	\$ (79,667)	\$ (85,366)	\$ (178,666)	\$ (57,633)
Loss per share	\$ (0.002)	\$ (0.001)	\$ (0.003)	\$ (0.002)
Weighted average number of shares outstanding - basic and diluted	48,979,100	48,979,100	48,979,100	48,979,100

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

Mezzotin Minerals Inc.
Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
For the Three Months ended June 30
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Number	Amount	Warrant Reserve	Other Capital Reserve	Foreign Currency Translation Reserve	Deficit	Total
Balance as at January 1, 2016	48,979,100	\$ 3,397,479	\$ -	\$ 649,725	\$ 183,862	\$ (3,681,625)	\$ 549,441
Foreign currency translation differences in period					(36,854)		(36,854)
Net loss in period						(66,368)	(66,368)
Balance as at March 31, 2016	48,979,100	3,397,479	-	649,725	147,008	(3,747,993)	446,219
Foreign currency translation differences in period					(4,223)		(4,223)
Net loss in period						(75,444)	(75,444)
Balance as at June 30, 2016	48,979,100	\$ 3,397,479	\$ -	\$ 649,725	\$ 142,785	\$ (3,823,437)	\$ 366,552
Balance as at January 1, 2015	48,979,100	\$ 3,397,479	\$ -	\$ 649,725	\$ 52,112	\$ (3,318,254)	\$ 781,062
Foreign currency translation differences in period					75,220		75,220
Net loss in period						(47,487)	(47,487)
Balance as at March 31, 2015	48,979,100	3,397,479	-	649,725	127,332	(3,365,741)	808,795
Foreign currency translation differences in period					(12,796)		(12,796)
Net loss in period						(72,570)	(72,570)
Balance as at June 30, 2015	48,979,100	\$ 3,397,479	\$ -	\$ 649,725	\$ 114,536	\$ (3,438,311)	\$ 723,429

Mezzotin Minerals Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the Three and Six Months Ended June 30

(Expressed in Canadian Dollars)

	Three Months		Six Months	
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Net loss	\$ (75,444)	\$ (72,570)	\$ (141,812)	\$ (120,057)
Adjustments for non-cash operating items				
Depreciation	13,201	25,643	27,999	27,168
	(62,243)	(46,927)	(113,813)	(92,889)
Changes in non-cash items operating activities				
Amounts receivable and other assets	4,371	(11,468)	4,163	(6,322)
Trade and other payables	13,530	7,367	30,906	7,698
Due to related parties		3,854	-	8,371
Due to government agencies	(47)	(2,052)	(47)	(987)
Cash used in operating activities	(44,389)	(49,226)	(78,791)	(84,129)
Cash Flows from Investing Activities				
Acquisition of property and equipment	-	-	-	-
Acquisition of exploration and evaluation assets		(8,731)	-	(8,731)
Cash used in investing activities	-	(8,731)	-	(8,731)
Cash Flows from Financing Activities				
Loan payable	140,664	105,698	140,842	105,698
Cash used in financing activities	140,664	105,698	140,842	105,698
Net increase (decrease) in cash	96,275	47,741	62,051	12,838
Effect of exchange rate changes on cash denominated in a foreign currency	216	144	(1,163)	131
Cash, beginning of period	35,374	36,102	70,977	71,018
Cash, end of period	\$ 131,865	\$ 83,987	\$ 131,865	\$ 83,987

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

Mezzotin Minerals Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

June 30, 2016

1. Nature of Operations and Going Concern

Mezzotin Minerals Inc. ("Mezzotin" or the "Company") was incorporated as Zoolander Corporation on October 27, 2005 by Certificate of Incorporation issued under the Business Corporations Act (Ontario). The Company acquired all of the issued and outstanding shares of Adsani Exploration (Proprietary) Limited ("Adsani"), a private company incorporated on February 24, 2000 under the laws of the Republic of South Africa, which included its wholly-owned subsidiary Mezzotin Investments (Private) Limited ("Mezzotin ZIM"), a private company incorporated on January 10, 2000 under the laws of Zimbabwe in exchange for the issuance of 20,000,000 common shares of the Company. The shareholders of the Company approved the name change to Mezzotin Minerals Inc. on September 10, 2013.

Mezzotin's common shares are listed on the TSX Venture Exchange under the symbol "MEZ". The Company's registered office and the principal place of business is located at 150 York Street, Suite 1600, Toronto, Ontario, M5H 3S5.

The Company is a Canadian-based mineral exploration company focused on the exploration for and development of mineral deposits in Africa. The Company is considered to be in the early stages and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation assets is dependent upon securing and maintaining title and beneficial interest in the property and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability of the Company to obtain the necessary financing to complete the development of the mineral interests, and achieving future profitable production, or alternatively, upon the Company's ability to dispose of its interests on a profitable basis. As the Company's assets are located outside of Canada, they are subject to the risk of foreign laws and regulations, including increases in taxes and royalties, foreign currency exchange rate fluctuations, ownership interests and political uncertainty.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company continues to incur net losses and has an accumulated deficit of \$3,823,437 at June 30, 2016. The Company's ability to continue as a going concern is dependent upon its ability in the future to locate economically recoverable mineral reserves, achieve profitable operations or obtaining the necessary financing to fulfill its obligations as they arise and repay its liabilities when they become due. External financing, predominantly by the issuance of equity or debt, may be sought to finance the operations of the Company. There is no assurance that the Company will be successful at these initiatives. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or obtain adequate financing.

2. Statement of Compliance

These unaudited condensed interim consolidated financial statements (the "Interim Statements") have been prepared in accordance International Financial Reporting Standard 34, *'Interim Financial Reporting'* ("IAS 34") as issued by the International Accounting Standards Review Board ("IASB").

These Interim Statements should be read in conjunction with the audited consolidated financial statements of Mezzotin Minerals Inc. for the years ended December 31, 2015 and 2014.

These Interim Statements were authorized for issuance by the Board of Directors of the Company on August 26, 2016.

3. Significant Accounting Policies

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are accounted for at fair value.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and entities over which it has control including its wholly-owned legal subsidiary, Adsani and Adsani's wholly-owned subsidiary Mezzotin ZIM. All material intercompany transactions and related balances are eliminated on consolidation.

On April 30, 2011, the Company acquired all the issued and outstanding shares of Adsani. The transaction was accounted for as a reverse acquisition. As a result, these consolidated financial statements reflect the financial position, financial performance and cash flows of the legal subsidiary, Adsani, as at and for the years ended December 31, 2015 and 2014. The number of common shares outstanding are those of the Company, the legal parent.

Functional and presentation currency

Items included in the financial statements of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's subsidiaries is the United States Dollar. The consolidated financial statements are presented in Canadian Dollars, which is also the Company's functional currency.

The assets and liabilities of the subsidiaries that have a functional currency different from that of the Company are translated into Canadian dollars at the closing rate at the date of the statement of financial position, and income and expenses are translated at the average rate for the year, which represents a reasonable approximation of the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the translation are recognized in other comprehensive income and included in the foreign currency translation reserve in the shareholders' equity.

Transactions in currencies which are not the Company's functional currency are translated to the functional currency at exchange rates at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position, and non-monetary items are translated at historical rates of exchange.

Property and equipment

Property and equipment are recorded at acquisition cost less depreciation and accumulated impairment losses.

Where an item of property and equipment comprises significant components with different useful lives, the components are accounted for as separate items (major components) of plant and equipment.

Depreciation is provided at rates calculated to write-off the cost of these assets commencing when available for use, less the estimated residual value, over their estimated useful lives, for the following classes of assets:

	Method	Rate
• Exploration equipment	Declining balance	20%
• Vehicles	Declining balance	20%

3. Significant Accounting Policies (cont'd)

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all initial and subsequent costs relating to the acquisition of, exploration for and development of mineral claims. Such costs include, but are not exclusive to, materials used, surveying costs, geological and geophysical studies, exploratory drilling and sampling, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation, including general and administrative overhead costs, are expensed in the period in which they occur. Capitalization of costs commences once the Company has obtained legal rights to explore a specific area. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there are other circumstances indicating evidence of impairment.

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all exploration and evaluation costs to that property are reclassified as mining assets within property and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

4. New Accounting Standards and Interpretations

The International Accounting Standards Board (IASB) has issued new and amended standards and interpretations with various implementation and effective dates. The following is a brief summary of the new standards adopted in the current year and under review for future years.

New accounting standards adopted in year:

IAS 32, Financial Instruments: Presentation

The IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments are effective for annual periods beginning on or after January 1, 2014. The adoption of the amendments did not have a significant impact on the Company's consolidated financial statements.

IAS 36, Impairment of Assets

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36 requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and were applied prospectively.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued amendments to four standards, including IFRS 8 - Operating segments and IAS 24 - Related party transactions. The amendments to IAS 24 (i) revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements. The amendments to IFRS 8 require (i) disclosure of judgements made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendments are effective for years beginning on or after July 1, 2014. These amendments did not have a significant impact on the Company's financial statements.

4. New Accounting Standards and Interpretations (cont'd)

Pronouncements for future adoption:

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, setting out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. IFRS 9 replaces IAS 39 - Financial Instruments: Recognition and Measurement. The new standard establishes a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. It also provides guidance on an entity's own credit risk relating to financial liabilities and has modified the hedge accounting model to better link the economics of risk management with its accounting treatment. Additional disclosures will also be required under the new standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of IFRS 9 on the Company's consolidated financial statements.

**IAS 16, Property, Plant and Equipment, and
IAS 38, Intangible Assets**

In May 2014, the IASB amended IAS 16 and IAS 38 to clarify that a revenue-based approach to calculate depreciation and amortization generally is not appropriate as it does not reflect the consumption of the economic benefits embodied in the related asset. These amendments must be applied prospectively for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact of amendments to IAS 16 and IAS 38 on the Company's consolidated financial statements.

IFRS 11, Joint Arrangements

In May 2014, the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business, as defined in IFRS 3 - Business Combinations. The amended standard requires the acquirer to apply all of the principles on accounting for business combinations in IFRS 3 and other IFRSs except for any principles that conflict with IFRS 11. These amendments must be applied prospectively for those acquisitions occurring in annual periods beginning on or after January 1, 2016. The amendments to IFRS 11 are not expected to have a significant impact on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 - Leases or other IFRSs. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying a five step methodology. The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets such as property and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after January 1, 2018 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The Company is currently evaluating the impact of IFRS 15 on the Company's consolidated financial statements.

IFRS 16, Leases

On January 13, 2016, the IASB issues IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 on its financial statements.

Mezzotin Minerals Inc.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements**

June 30, 2016

5. Property and Equipment

Cost	Exploration Equipment	Vehicles	Total
Balance March 31, 2016	\$ 209,327	\$ 157,673	\$ 367,000
Additions (disposals) in period	-	-	-
Foreign currency translation	(1,128)	(850)	(1,978)
Balance June 30, 2016	208,199	156,823	365,022
Accumulated Depreciation			
Balance March 31, 2016	\$ 50,010	\$ 46,363	\$ 96,373
Depreciation in period	7,773	5,428	13,201
Foreign currency translation	(251)	(236)	(487)
Balance June 30, 2016	57,532	51,555	109,087
Net Book Value			
As at June 30, 2016	\$ 150,667	\$ 105,268	\$ 255,935
As at December 31, 2015	\$ 178,561	\$ 124,755	\$ 303,316

Because the assets deteriorate over time, whether in use or not, effective the year ended December 31, 2015 the Company commenced taking depreciation on these assets to reflect the deterioration.

6. Exploration and Evaluation Assets**Sabi Star Property**

The Company owns a 100% interest in the Sabi Star Property held by Adsani, through its wholly-owned subsidiary, Mezzotin ZIM. The property is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares located in Eastern Zimbabwe, approximately 180 kilometers from Harare, the capital of Zimbabwe, approximately 250 kilometers from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

	Mineral Rights	Exploration and Evaluation	Total
Balance March 31, 2016	\$ 5,530	\$ 542,813	\$ 548,343
Additions (disposals) in period	-	-	-
Foreign currency translation	(30)	(2,926)	(2,956)
Balance June 30, 2016	5,500	539,887	545,387
Balance December 31, 2015	\$ 5,893	\$ 578,466	\$ 584,359

Mezzotin Minerals Inc.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements****June 30, 2016****7. Trade Payables and Accruals**

	June 30, 2016	December 31, 2015
Falling due within the year:		
Trade payables	\$ 177,489	\$ 119,206
Accrued liabilities	29,477	60,819
	\$ 206,966	\$ 180,025

Trade payables generally have payment terms up to 30 days.

8. Tribute Agreement and Loan Payable

On December 30, 2015, Mezzotin ZIM (the "Grantor") entered into a Tribute Agreement (the "Agreement") whereby the rights to extract and sell minerals from the Company's properties would be licensed to a third party (the "Tributor"). In return, the Grantor would receive a royalty of 20% of pre-tax profits, as defined in the Agreement, from the Tributor. The Agreement is for a period of five years with an option to extend for an additional five years and is subject to all necessary regulatory approvals.

As part of the Tribute Agreement transaction, the Company entered into a Loan Agreement (the "Loan Agreement") also on December 30, 2015 with a company related to the Tributor. Under the terms of the Loan Agreement, the Company will borrow US\$500,000 to be drawn down at scheduled dates extending to March 30, 2017. As at June 30, 2016, the Company had received US\$250,000 pursuant to the Loan Agreement.

The Loan is unsecured, accrues interest at the LIBOR rate for overnight deposits and matures 60 months from the date of execution. Interest and principal are repayable from royalty amounts pursuant to the Tribute Agreement.

9. Share Capital**Authorized share capital**

Unlimited number of common shares

Issued and outstanding share capital

Issued share capital for the periods were as follows:

	Number of Shares	Amount
Balance as at January 1, 2016	48,979,100	\$ 3,397,479
No activity in period	-	-
Balance as at June 30, 2016	48,979,100	\$ 3,397,479

Warrant and Option Reserve

In the three and six months ended June 30, 2016 the Company did not issue any stock options and as of June 30, 2016 the Company had no stock options outstanding.

10. Capital Management

The Company's objectives when managing its liquidity and capital are as follows:

- a) to safeguard the Company's ability to continue as a going concern such that it can continue in its exploration activities to provide returns to shareholders and benefits to other stakeholders.
- b) to secure sufficient cash and cash equivalents to fund the Company's business plans, including the exploration activities required for the development of its mineral property interests.

The Company considers the loan payable and the items included in shareholders' equity in the definition of capital.

The Company's primary uses of capital are to finance the exploration and property development activities required on its mineral properties, market and investor development, capital expenditures and operating losses.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the period ended June 30, 2016. As at June 30, 2016 the Company was not subject to any externally imposed capital requirements or restrictions.

11. Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Following is a summary of the related party transactions for the three and six months ended June 30, 2016 and the corresponding amount in the prior year's quarter:

- a) During the three and six months ended June 30, 2016 the Company recorded Rental Income of \$2,899 and \$5,989, respectively (2015 – \$2,767 and \$5,560) related to the rental of a vehicle to a company where the director of the Company's subsidiary was an officer.
- b) During the three and six months ended June 30, 2016 the Company incurred costs of \$2,899 and \$5,989, respectively (2015 – \$2,767 and \$5,560) for office rent paid to a company where a Mezzotin ZIM Director was an officer. The rental costs are included in General and Administrative expenses.
- c) During the three and six months ended June 30, 2016 the Company incurred costs of \$10,500 and \$21,000 (2015 - \$10,500 and \$18,000) for executive and management services to a company controlled by an officer of the Company. The amounts are included in Consulting Fees.

12. Contingencies

In April, 2014 the Zimbabwe Investment Authority ("ZIA"), through what management of the Company believes to be an unauthorized and administrative error, has served notice that it has cancelled Mezzotin ZIM's investment License. As a result of this action, the Company has been assessed for tax credits previously granted in the amount of \$42,207. This amount has been recorded as a liability at June 30, 2016.

The cancellation of an Investment License, in general terms, may have other consequences such as the inability to repatriate invested funds and the development of production properties.

It is the opinion of management that the cancellation of the Investment License will be rectified and has commenced the legal process for its reinstatement.