SILVER SHIELD RESOURCES CORP.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Management's Responsibility for Financial Reporting

The accompanying financial statements of Silver Shield Resources Corp. included in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. When alternative accounting methods exist, management has selected those it deems to be most appropriate in the circumstances.

The significant accounting policies used are described in Note 3 to the financial statements. The financial statements include estimates based on the experience and judgment of management in order to ensure that the financial statements are presented fairly, in all material respects. Financial information presented elsewhere in the annual report is consistent with that in the financial statements.

The management of the Company developed and continues to maintain systems of internal accounting controls and management practices designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors exercises its responsibilities for ensuring that management fulfils its responsibilities for financial reporting and internal control with the assistance of its Audit Committee. The Audit Committee is appointed by the Board and all of its members are Directors of Silver Shield Resources Corp. The Committee meets periodically to review quarterly financial reports and to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the Company’s annual financial statements and recommends their approval to the Board of Directors.

These financial statements have been audited by Ross Pope LLP, Chartered Professional Accountants, the independent auditor, on behalf of the shareholders. Ross Pope LLP, Chartered Professional Accountants, has full and free access to the Audit Committee and may meet with or without the presence of management.

Signed "Frank Kordy"	Signed "Paul Haber"
Frank Kordy –CEO	Paul Haber - CFO

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Silver Shield Resources Corp.

We have audited the accompanying financial statements of Silver Shield Resources Corp., which comprise the balance sheets as at December 31, 2015 and 2014 and the statements of operations and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, 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 financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of 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 audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Silver Shield Resources Corp. as at December 31, 2015 and 2014 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our audit opinion, we draw your attention to Note 2(c) of these financial statements, which states that Silver Shield Resources Corp. incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. This, along with other matters as described in Note 2 (c), indicate the existence of a material uncertainty which may cast doubt about the ability of Silver Shield Resources Corp. to continue as a going concern.

Ross Pope LLP

Kirkland Lake, Ontario
April 25, 2016

ROSS POPE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

SILVER SHIELD RESOURCES CORP.
(An Exploration Stage Company)
BALANCE SHEETS
(Expressed in Canadian Dollars)

AS AT DECEMBER 31,		***2015***		*2014*
ASSETS				
CURRENT				
Cash and cash equivalents (Note 5)	**$**	**171,961**	$	-
Accounts receivable (Note 5)		**21,618**		860
Prepaid expenses and deposits		**17,000**		-
TOTAL CURRENT ASSETS		**210,579**		860
MINERAL PROPERTIES (Note 6)				
Mineral claims		**125,500**		239,500
Deferred exploration costs		**828,675**		1,965,000
PROPERTY, PLANT AND EQUIPMENT (Note 8)		**4,466**		5,615
LONG TERM INVESTMENTS (Note 7)		**138,000**		-
TOTAL ASSETS	**$**	**1,307,220**	$	2,210,975
LIABILITIES				
CURRENT				
Bank overdraft	**$**	**-**	$	61
Accounts payable and accrued liabilities		**245,649**		241,348
Royalties payable (Note 6)		**276,026**		246,026
Due to related parties (Note 10)		**144,791**		399,806
Due to Northern Nickel Mining Inc. (Note 10(ii))		**-**		69,736
BlackBirch Capital loan (Note 11)		**-**		25,520
TOTAL CURRENT LIABILITIES		**666,466**		982,497
SHAREHOLDERS' EQUITY (Note 9)				
Share capital		**5,992,533**		5,245,466
Contributed surplus		**1,203,760**		1,203,760
Warrant		**190,939**		-
Deficit		**(6,746,478)**		(5,220,748)
TOTAL SHAREHOLDERS' EQUITY		**640,754**		1,228,478
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**1,307,220**	$	2,210,975

Description of business (Note 1)
Going Concern (Note 2(c))

APPROVED ON BEHALF OF THE BOARD:

Signed "Frank Kordy"
DIRECTOR

Signed "Stephen Mlot"
DIRECTOR

The accompanying notes are integral part to these financial statements.

SILVER SHIELD RESOURCES CORP.
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31,		***2015***		*2014*
EXPENSES				
Consulting and management fees	**$**	**112,163**	$	-
Legal and audit fees		**41,556**		10,000
Marketing and investor relations		**29,650**		1,125
Transfer agent and filing fees		**49,552**		2,201
General, office and administrative		**28,253**		62
Loan interest		**16,495**		-
Royalty expenses		**30,000**		54,000
Bank service charges		**254**		2,314
NET LOSS BEFORE OTHER ITEMS		**(307,923)**		(69,702)
Gain on settlement of debt		**36,029**		-
Amortization		**(1,149)**		(1,476)
Foreign exchange gain		**(2,686)**		-
Mineral property impairment charge (Note 6)		**(1,250,000)**		-
		(1,217,806)		(1,063)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$**	**(1,525,729)**		(71,178)
Basic and diluted loss per share	**$**	**(0.15)**	$	(0.001)
Weighted average number of shares outstanding – basic and diluted (Note 8)		**10,264,589**		8,198,258

The accompanying notes are integral part to these financial statements.

SILVER SHIELD RESOURCES CORP.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Deficit	Total
		$	$	$	$	$
Balance, December 31, 2013	82,570,349	5,245,466	1,203,760	-	(5,149,569)	1,299,657
Net loss for the period	-	-	-	-	(71,178)	(71,178)
		$	**$**		**$**	**$**
Balance, December 31, 2014	**82,570,349**	**5,245,466**	**1,203,760**	**-**	**(5,220,749)**	**1,228,477**
Net loss for the period	-	-	-	-	(1,525,729)	(1,525,729)
Rollback of common shares	(74,313,314)	-	-	-	-	-
Common stock issued to extinguish debt	3,328,625	332,862	-	-	-	332,862
Common stock issued in Private placement	5,719,294	610,144	-	-	-	610,144
Costs of issue	-	(5,000)	-	-	-	(5,000)
Issuance of warrants	-	(190,939)	-	190,939	-	-
		$	**$**	**$**	**$**	**$**
Balance, December 31, 2015	**17,304,954**	**5,992,533**	**1,203,760**	**190,939**	**(6,746,478)**	**(640,754)**

The accompanying notes are integral part to these financial statements.

SILVER SHIELD RESOURCES CORP.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31,	***2015***	*2014*
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Loss for the year end	**$ (1,525,729)**	$ (71,178)
Items not involving cash:		
Gain on settlement of debt	**-**	-
Amortization	**1,149**	1,476
Mineral property impairment charge	**1,250,000**	-
Changes in working capital items other than cash:		
Trade and other receivable	**(20,758)**	1,176
Prepaid expenses and deposits	**(17,000)**	-
Accounts payable and accrued liabilities	**68,251**	(10,516)
Royalties payable	**30,000**	54,000
Due to Northern Nickel	**(59,598)**	
Due to / from related parties	**(33,354)**	-
BlackBirch Loan	**(25,520)**	-
	(332,559)	(25,042)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from issuing of capital stock and warrants, net of issuance costs	**642,256**	-
Proceeds from BlackBirch Loan	**-**	25,520
	642,256	25,520
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of Long-term investment	**(138,000)**	
Deferred exploration costs	**325**	-
	(137,675)	-
CHANGE IN CASH AND CASH EQUIVALENTS	**172,022**	478
Cash and cash equivalents (Deficiency), beginning of year	**(61)**	(539)
Cash and cash equivalents (Deficiency), end of year	**$ 171,961**	$ (61)

The accompanying notes are integral part to these financial statements.

1. DESCRIPTION OF BUSINESS

Gemini Acquisitions Inc. ("the Company ") was incorporated under the Ontario Business Corporations Act on June 1, 2006. The Company's principal business activity is the exploration of mineral resource properties primarily in Ontario. On December 14, 2007, the Company acquired all of the issued and outstanding shares of Silver Shield Resources Inc. by issuing common shares of the Company. This business combination had been accounted for as a reverse takeover with Silver Shield Resources Inc. as the accounting parent. Silver Shield Resources Inc. was incorporated under the Ontario Business Corporations Act on May 2, 2006. On March 4, 2008, the Company received Articles of Amendment to change the name of the Company to Silver Shield Resources Corp. ("SSRC"). The Company is a reporting issuer in Ontario, Alberta and British Columbia and trades on the Canadian Securities Exchange under the symbol "SSR".

The Company's corporate office and principal place of business is 47 Colborne Toronto Street, Suite 307, Toronto, Ontario, Canada, M5E 1P8.

2. BASIS OF PRESENTATION

(a) Statement of Compliance to International Financial Reporting Standards

The financial statements of the Company for the year ended December 31, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements should be read in conjunction with the Company's 2014 annual financial statements. The financial statements were authorized for issue by the Board of Directors on April 25, 2016.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of $1,525,729 during the year ended December 31, 2015 and, as of that date the Company's deficit was $6,746,478. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

(d) *Share Consolidation*

On June 3, 2015, the Company filed articles of amendment to complete an approved consolidation of the Company's issued and outstanding common shares, warrants and options on a basis of 10 pre-consolidation shares, warrants and options of each post consolidation share, warrant or option. Earnings per share and all amounts in respect of share capital have been adjusted to reflect this share consolidation.

2. BASIS OF PRESENTATION (continued)

(e) *Mexican Subsidiary*

The 2014 comparative figures had been characterized as consolidated financial statements as they included the accounts of Silver Shield Resources S.A. de C.V. The Company had incorporated the Mexican subsidiary on April 10, 2007 in order to formalize the option agreement for the La Cumbre property in Mexico. The shares of the Mexican subsidiary were held in trust by certain Directors of the Company and the former President and were beneficially owned by Silver Shield Resources Corp. All material intercompany transactions and balances had been eliminated. The Company has taken a full impairment charge on the Mexican assets and has ceased to operate in Mexico through that subsidiary and as a result, the current years financial statements are not referred to as consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currencies

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(b) *Cash and Cash Equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

(c) *Mineral Exploration and Evaluation Expenditures*

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

If the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued (c))*

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets.

(d) Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is provided at rates calculated to write off the cost of the property, plant and equipment, less their estimated residual value, using the straight line method at various useful lives:

Equipment 20% declining balance
Computers 55% declining balance

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

(e) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial yearend. Other non-financial assets, including mineral exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash generating unit for which impairment testing is performed. An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

(f) Financial Instruments

Financial assets and liabilities are classified into one of the following categories based on the purpose for which the asset was acquired or for which the liability was incurred:

- Cash and cash equivalents - Fair value through profit or loss
- Accounts receivable - Loans and receivables

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued (f))*

- Long term investments – Fair value through profit or loss
- Accounts payable and accrued liabilities - Other financial liabilities
- Royalties payable - Other financial liabilities

Fair value through profit or loss makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in income (loss) in the period of change.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Other Financial Liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transactions costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

(g) Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued (g))*

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(h) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into, i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

Loss Per Share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(i) Share-Based Payments

The fair values of share options granted to employees are recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued (i))*

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(j) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendments to IFRS 1 which replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs'. This eliminates the need for the Company to restate de recognition transactions that occurred before the date of transition to IFRSs. The amendment is effective for year-ends beginning on or after July 1, 2011; however, the Company has early adopted the amendment. The impact of the amendment and early adoption is that the Company only applies IAS 39 de-recognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements will not have an effect on the Company's future results and financial position:

IFRS 9 – Financial Instruments

IFRS 9: Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard.

The IASB has published Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). These narrow-scope amendments to IAS 36, Impairment of Assets, address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13, Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. The amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The Company has determined that there will be no material changes to the financial statements arising from the adoption of this change.

The IASB has issued Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32), to clarify its requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify: (a) the meaning of "currently has a legally enforceable right of set-off"; and (b) that some gross settlement systems may be considered equivalent to net settlement. The amendments are effective for annual periods beginning on or after January 1, 2014, and are required to be applied retrospectively. The Company has determined that there will be no material changes to the financial statements arising from the adoption of this change.

4. CRITICAL ACCOUNT ESTIMATES AND JUDGMENTS

Silver Shield Resources Corp. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

(a) Mineral Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

(b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(c) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the Black Scholes valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock-based payment transactions are disclosed in Note 9.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

The accounts receivable are input tax credits due from the Government of Canada.

6. MINERAL PROPERTIES

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveying history characteristics of many mineral properties. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties are in good standing.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

The Company enters into exploration agreements whereby they may earn an interest in certain mineral properties by issuing Common Shares, making cash option payments and/or incurring expenditures in varying amounts by specified dates. Failure by the Company to meet such requirements can result in a reduction of ownership interest.

The Company’s mineral property interests consist of various early stage exploration projects as detailed below:

Mineral Claims as at December 31,		**2015**		2014
Welsh Silver Mine	**$**	**38,000**	$	152,000
Lost Dog Property		**87,500**		87,500
	$	**125,500**	**$**	239,500
Deferred Exploration Costs as at December 31,		**2015**		2014
Welsh Silver Mine	**$**	**389,154**	$	1,525,479
Lost Dog Property		**439,521**		439,521
	$	**828,675**	**$**	1,965,000

PROPERTY DESCRIPTIONS

(a) Welsh Silver Mine, Ontario

The Welsh Silver Mine Property, consisted of one mining lease and nine mining claims is located in Mickle Township near the Town of Elk Lake in Ontario. Under the terms of the Welsh Property Option Agreement dated July 17, 2006, the Company can earn a 100% interest in the property. The Company paid the vendor a cash payment of $20,000 upon signing the agreement plus an additional $20,000 in July 2007, and has issued to the vendor 400,000 common shares valued at $46,000. The Company was also required and has satisfied the $50,000 expenditure commitment. The Company has paid the vendor an additional $40,000 and 260,000 common shares July 17, 2008. A 2% Net Returns Royalty ("NSR") is on the property with advance royalties being due of $30,000 per year commencing in 2009.

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (continued Welsh Silver Mine (a))

During 2015 the company allowed 8 mining claims in Mickle Township to lapse, but value still remained on the mining lease. Management has taken an impairment charge of $114,000 of the acquisition costs and a charge of $1,136,000 against the deferred exploration costs in 2015.

(b) Lost Dog Property, Ontario

On December 2, 2009, the Company entered into an agreement to acquire 36 mining claims in Denton Township, 30 kilometres south-west of Timmins, Ontario. Under the terms of the agreement, the Company can acquire a 100% interest in the property by paying the vendors $10,000 and issuing to the vendors 250,000 common shares of the Company upon regulatory acceptance (paid cash and issued common shares subsequent to year-end on January 23, 2010), an additional $20,000 and 250,000 common shares have been paid and issued. An additional $20,000 and 250,000 common shares were to be paid prior to December 31, 2011. The vendors of the property will retain a 2% NSR which the Company has the right to purchase 1% NSR at any time for $1,000,000. The Company has paid with the acceptance of the vendors the shares and cash payments due. These payments were made in March 2012 and accepted by the vendors. The property is now owned 100%.

7. LONG-TERM INVESTMENT

On July 26, 2015 the Corporation entered an agreement with Rock Vapor Technologies Inc. (“RVT”) to purchase Eighty Thousand (“80,000) shares of “RVT” at a cost of $1.25 USD per share for a total purchase price of One Hundred Thousand (“$100,000.00”) USD. These shares were sold in pursuant to the terms of Regulation S of the Securities Act of 1933, as amended. The shares will be restricted indefinitely until Rock Vapor Technologies Inc. takes the necessary steps to become a publicly traded entity, at which time the restrictions may only be lifted pursuant to an effective registration statement or exemption statement or an exemption to the registration requirements. While restricted, the shares may not be traded in the United States or in Canada.

8. PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	**Net Book Value**
Equipment	$ 18,035	$ 13,603	$ **4,432**
Computer equipment	6,225	6,191	**34**
Balance, December 31, 2015	**$ 24,260**	**$ 19,794**	**$ 4,466**

	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 18,035	$ 12,494	$ 5,541
Computer equipment	6,225	6,151	74
Balance, December 31, 2014	**$ 24,260**	**$ 18,645**	**$ 5,615**

(Expressed in Canadian Dollars)

9. SHAREHOLDERS' EQUITY

SHARE CAPITAL

Authorized - Unlimited number of common shares.

The Company's share capital outstanding as at and for the year ended December 31, 2014 and December 31, 2015 are as follows:

	Number of Shares	Amount
Balance, December 31, 2013	80,447,220	$5,139,309
Common stock issued to extinguish debt	2,123,129	106,157
Balance, December 31, 2014	82,570,349	5,245,466
Share consolidation (i)	(74,313,314)	-
Common stock issued to extinguish debt (ii)	3,328,625	332,862
Common stock issued in Private placement (iii)	5,719,294	610,144
Amount allocated to warrants	-	(190,939)
Share issue costs	-	(5,000)
Balance, December 31, 2015	**17,304,954**	**$5,992,533**

i. On June 3, 2015, the Company completed a one for ten share rollback transaction of its common shares which was approved on its Annual General Meeting at December 27, 2013. After the rollback, the Company had 8,257,035 common shares outstanding**.**

ii. The Company settled $332,862 of debt for 3,328,625 by the issue of common shares at a price of $0.10 per common share.

   On September 17th, 2015, the Company issued 828,625 common shares to extinguish related party debts in the amount of $82,625. On December 8th, 2015, the Company issued 2,500,000 common shares to settle accrued and unpaid debts to companies related to or controlled by officers and directors of the Company.

iii. On July 24th, the Company sold 1,549,600 units of non-brokered private placement announced on June 4th, 2015 with $154,960 of gross proceeds. No commission or finder's fee was payable with respect to this tranche. 774,800 warrants were issued at $0.15 per warrant. The warrants have an expiry date of July 24th, 2016.

   On September 22nd, 2015, the Company closed the first tranche of 1,966,000 units for gross proceeds of $196,000. 983,000 warrants were issued with an expiry date of September 22, 2016. No commissions or finders fees is payable with respect to this tranche of the placement.

(Expressed in Canadian Dollars

9. SHAREHOLDERS' EQUITY (continued Share Capital (iii))

On September 24th, the second tranche of non-brokered private placement announced on Sept 22nd, 2015 was closed with 734,000 units sold with gross proceeds of $73,400. 367,000 warrants were issued. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 12 months from the closing date. The warrants have an expiry date of Sept 24th, 2016.

On October 15th, the third tranche closed with an additional 705,400 units sold for gross proceeds of $70,540. 352,700 warrants were issued. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 12 months from the closing date. The warrants have an expiry date of Oct 15, 2016. The Company raised $340,540 in aggregate on the private placement announced on Sept 22nd, 2015.

On December 8th, 2015, the Company initiated a funding process to raise a maximum of $1,000,000 at a price of $0.15 per common share unit with one-half of one common share purchase warrant at $0.25 for a period of 36 months from the closing date. Details of the financing was press-released December 8, 2015.

On December 22, 2015, the first tranche of the non-brokered private placement agreement announced on December 8, 2015 closed with 764,294 units sold with gross proceeds of $114,644. 382,147 warrants were issued. No commission or finder's fee was payable with respect to this tranche. The warrants have an expiry date of December 21, 2019.

As at and for the year ended December 31, 2015, the Company completed private placements of 5,719,294 shares of common stock to certain accredited investors and the investors received an aggregate 2,859,647 warrants to purchase additional shares of common stock as described below.

WARRANTS

The number of share purchase warrants represents the number of shares that may be acquired on the exercise of the outstanding warrants.

As at December 31, 2015 and 2014, the following broker warrants were outstanding:

	Number of Warrant Shares		Fair Value Warrants		Weighted Average Exercise Price
Balance, December 31, 2014	NIL	$	NIL	$	NIL
Issued during 2015	2,859,647		190,939		0.163
Balance, December 31, 2015	**2,859,647**	**$**	**190,939**	**$**	**0.163**

The fair value at the issue date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the warrant, the impact of dilution, the share price at the issue date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the warrant. The Company issued all warrants an exercise price equal to or greater than the market value of the underlying common shares on the date of issue.

a) 2,477,500 warrants have an exercise price of $0.15 and were assigned an aggregate fair value of $138,687 using the Black Scholes pricing model with the following assumptions: 181% expected volatility; a risk-free interest rate of .98%; a dividend yield of Nil%: and 12 months expected term.

b) 382,147 warrants have an exercise price of $0.25 and were assigned an aggregate fair value of $52,252 using the Black Scholes pricing model with the following assumptions: 181% expected volatility; a risk-free interest rate of .98%; a dividend yield of Nil%: and 48 months expected term.

(Expressed in Canadian Dollars

9. SHAREHOLDERS' EQUITY *(continued (WARRANTS))*

This pricing model require the input of highly subjective assumptions noted above. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's warrants.

As at December 31, 2015, the following broker warrants were outstanding:

Number of Warrant Shares		Fair Value Warrants		Weighted Average Exercise Price	Expiry Date
774,800	$	43,372	$	0.041	July 24, 2016.
983,000	$	55,027	$	0.052	September 22, 2016.
367,000	$	20,544	$	0.019	September 24, 2016.
352,700	$	19,744	$	0.019	October 15, 2016.
382,147	$	52,252	$	0.033	December 21, 2019.
2,859,647	**$**	**190,939**	**$**	**0.163**	

STOCK OPTIONS

The Company’s outstanding stock options as at and for the year ended December 31, 2015 are as follows:

	Number of Options Outstanding		Weighted Average Exercise Price		Fair Value Options
Balance, December 31, 2014	5,000,000	$	0.10	$	162,400
Expired	(5,000,000)		(0.10)		(162,400)
Balance, December 31, 2015	**-**	**$**	**-**	**$**	**-**

All outstanding options expired at expiration date August 23, 2015. There are not any stock options issued and outstanding as at December 31, 2015.

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The Company grants all employee stock options with an exercise price equal to or greater than the market value of the underlying common shares on the date of grant. Compensation expense recorded for the year ended December 31, 2015 and December 31, 2014 was $NIL. The fair value of these options calculated using Black Scholes model with the following assumptions: 60 month expected life; 150% expected volatility; risk-free interest rate of 1.45%; and a dividend yield of Nil%.

CONTRIBUTED SURPLUS AND RESERVES

On August 23, 2015, the Company’s options reserve in aggregated amount of $162,400 has been allocated to contributed surplus totalling $1,203,760. The reserves recorded in equity on the Company’s balance sheet include ‘Contributed Surplus’ and ‘Deficit’.

‘Contributed Surplus’ is used to recognize the value of stock option grants and share warrants prior to exercise.

‘Deficit’ is used to record the Company’s change in deficit from earnings and losses from period to period.

9. SHAREHOLDERS' EQUITY *(continued (WARRANTS))*

BASIC AND DILUTED LOSS PER SHARE

Dilutive stock warrants have been determined using the Company's average share price for year ended December 31, 2015. All warrants are excluded from the dilutive calculation as they would have been anti-dilutive due to the loss for the period.

10. RELATED PARTY TRANSACTIONS

Key personnel is defined as those who have authority and responsibility for planning, directing, controlling the activities of the company, directly or indirectly. That includes all directors of the Company.

Transactions with related parties in the normal course of business measured and recorded at the exchange amount, as agreed between the parties.

i. On September 17, 2015, companies related to or controlled by officers and directors of the Company were paid $31,736 by BlackBirch Capital of Toronto, the amount owing under terms of the debt settlement agreements with the Company, and received an aggregate 3,173,600 of post common shares issued at $.10 per share in exchange to the agreement. An aggregate $317,347 of accounts payable and accrued liabilities with respect to consulting and management fees was settled and no further payments are required with respect to the agreement.

ii. On September 17, 2015, Northern Nickel Mining Inc. related to or controlled by directors of the Company were paid $1,127 by BlackBirch Capital of Toronto, the amount owing under terms of the debt settlement agreements with the Company, and received an aggregate 112,650 of post common shares issued at $.10 per share in exchange to the agreement. Total $11,265 of accrued liabilities with respect to corporate expenditures paid by Northern Nickel Mining Inc. on behalf of the Company was settled and no further payments are required with respect to the agreement.

iii. As at December 31st, 2015, the Company accrued $13,174 in fees and expenses which are due and payable to directors or officers. An aggregate $7,800 was subsequently reimbursed by the Company.

iv. Prepaid expenses and deposits include $1,303 due from the former CEO with respect to the reorganization process and will be expensed given expense receipts are provided.

11. BLACKBIRCH CAPITAL LOAN

On November 17, 2014 the Company entered into a loan agreement with BlackBirch Capital for $50,000 to be used exclusively for costs to remove the cease trade orders and to get the Company reinstated on the Toronto Venture Exchange. The loan bears interest at 24 % per annum. After the trading ban was lifted the Company has issued 50,000 common share purchase warrants. Each warrant will allow the holder to acquire one common share at a price of $.10 per common share. The warrants will expire 24 months from the date of issuance.

On September 17th, 2015, the Company issued common shares at a price of $0.10 per share to BlackBirch Capital Inc. to settle BlackBirch Capital loan.

(Expressed in Canadian Dollars)

12. INCOME TAXES

Income tax expense is recognized based on the current income tax rate.

A reconciliation of income taxes at the rates expected to apply when the asset is realized of approximately 26.5% (2014 - 26.5%) with the reported taxes was as follows:

		2015		2014
Loss before income taxes	$	(1,525,725)	$	(71,178)
Expected income tax recovery		(404,317)		(18,720)
Share issue costs		(4,568)		(3,148)
Mineral property impairment charge		331,250		
Benefit of tax assets not previously recognized		77,635		21,868
Portion for current income taxes	**$**	**-**	**$**	**-**

The significant components of the Company's deferred income tax assets and liabilities are as follows:

		2015		2014
Temporary differences	$	(83,000)	$	(394,000)
Operating losses carried forward		628,000		670,000
Unrecognized deferred tax assets	**$**	**545,000**	**$**	**276,000**

Recognition of deferred tax assets for unused tax losses and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. The amounts recognized above offset the tax liability created by the renunciation the tax benefits related to flow-through shares. The balance of the deferred tax asset has not been recognized in the financial statements.

13. SEGMENTED INFORMATION

In prior years the Company operated in one reportable operating segment, being the exploration of mineral properties.

The Company's geographical information is as follows:

December 31, 2015		**Canada**		**United States**		**Mexico**		**Total**
Mineral interest	$	954,175	$	-	$	-	$	954,175
Total assets	$	1,169,220	$	138,000	$	-	$	1,307,220
Loss for the year	$	(1,515,220)	$	-	$	(10,509)	$	(1,525,729)

December 31, 2014		**Canada**				**Mexico**		**Total**
Mineral interest	$	2,204,500	$	-	$	-	$	2,204,500
Total assets	$	2,210,975	$	-	$	-	$	2,210,975
Loss for the year	$	(46,879)	$	-	$	(24,299)	$	(71,178)

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, 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 to sustain future development of the business. The Company considers its capital to be shareholders' equity, which is comprised of capital stock, contributed surplus, and deficit. The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during 2014 and 2015.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of its costs and expenses are incurred in Canadian dollars, United States dollars and Mexican pesos. A significant change in the currency exchange rates between the United States dollar and the Mexican peso relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The long term investment is denominated in United States dollars. The Company has not hedged its exposure to currency fluctuations.

Commodity Price Risk

The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of silver.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. As at December 31, 2015 the Company's current liabilities totaled $666,466, and cash and equivalents totaled $171,961. As a result, the Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of silver and gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

16. SUBSEQUENT EVENTS

On January 29th, 2016, Silver Shield Resources Corp. announced the voting results from its special meeting of the shareholders held January 28th, 2016. Shareholders voted in favour of instituting a new share structure, a name change and change of business as well as re-approval of the Corporation's existing options plan.

On February 8th, 2016, the Company initiated a non-brokered private placement financing to raise a maximum $3,000,000.00 by sale of 300,000 Series "A" Preferred Shares at a price of $10.00 per share. The Series "A" preferred shares will pay up to an 8% annual dividend to the holders of the preferred shares. Furthermore, holders of the Preferred Shares will also see a 25% of after tax realized gains on any capital dispositions. No special voting rights will be granted to the holders of the Preferred Shares. In conjunction to the Preferred Shares private placement offering, the Company is conducting a non-brokered common share private placement financing to raise a maximum of $1,000,000.00 common share units at a price of $0.10 per unit. Each unit is comprised of one common share of the Corporation, and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 36 months from the closing date. The Company's private placement that was announced on Dec 7th, 2015, closed on December 31st, 2015 and both private placements were commenced new offerings.

On February 19, 2016 the company loaned $150,000 CDN to Cardiff Energy Corp. Cardiff will use the proceeds to acidize their Clayton #1H well located in the state of Texas. The loan is secured by a first ranking General Security Agreement on the assets of Cardiff including its US operations. The loan bears an interest rate of 24% per annum and is repayable in twelve equal monthly instalments beginning 30 days from the date of funding. Furthermore, Cardiff has also granted the Corporation 250,000 stock options at a price of $0.05 and a 1.25$ gross overriding royalty on the Clayton #1H well.

On February 29, 2016 the Corporation closed the first tranche of the non-brokered Private Placement offerings which were announced on February 8, 2016. In total, Eighty-One Thousand One Hundred and Forty Dollars ("$81,140") CDN was raised via the sale of Three Hundred and Fifty-Nine Thousand ("359,000") units at $0.10 per unit, and via the sale of Four Thousand, Five Hundred and Twenty-Fours ("4,524") "Series A" Preferred Shares at $10.00 CDN per share. No commissions or finder's fee is payable with respect to the closing of this first tranche of the placements. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 36 months from the closing date.

On March 29, 2016 the Corporation closed the second tranche of the concurrent non-brokered Private Placement offerings which were announced on February 8, 2016. In total, Sixty-Four Thousand Dollars ("$64,000.00") CDN was raised via the sale of Fifty Thousand ("50,000") units at $0.10 per unit, and via the sale of Five Thousand, Nine Hundred ("5,900") "Series A" Preferred Shares at $10.00 CDN per share. No commissions or finder's fee is payable with respect to the closing of this first tranche of the placements. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 36 months from the closing date. The Corporation extended the closing of its concurrent offerings to May 15, 2016.

On April 12, 2016 the Corporation announced that the Board of Directors have declared a quarterly dividend of $0.20 per outstanding "Series A" Preferred Share of its capital payable on or after April 20, 2016.

On April 19, 2016 the Corporation closed the third tranche of the concurrent non-brokered Private Placement offerings which were announced on February 8, 2016. In total, One Hundred and Eighty-Four Thousand Dollars ("$184,000.00") CDN was raised via the sale of Three Hundred and Eighty-Five Thousand ("385,000") units at $0.10 per unit, and via the sale of Fourteen Thousand Five Hundred and Ninety ("14,590") "Series A" Preferred Shares at $10.00 CDN per share. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.15 for a period of 36 months from the closing date.

On April 19, 2016 The Corporation was granted conditional approval, subject to shareholder consent, by the Canadian Securities Exchange, to implement the Corporation's proposed change of business from a "Mining & Exploration" company to a "Merchant Bank" and its proposed name change from "Silver Shield Resources Corp." to "Gunpowder Capital Corp".