



**GTA RESOURCES AND MINING INC.**

**Condensed Interim Financial Statements**

**June 30, 2016**

**(Unaudited)**

(Expressed in Canadian Dollars)

*These condensed interim financial statements have not been reviewed by the Company's auditors.*

---

**GTA RESOURCES AND MINING INC.**  
**(Unaudited)**  
(Expressed in Canadian Dollars)

**Table of Contents**  
*June 30, 2016 and 2015*

---

	<b>Page</b>
<b>Condensed Interim Financial Statements</b>	
Condensed Interim Statements of Financial Position	2
Condensed Interim Statements of Operations and Comprehensive Loss	3
Condensed Interim Statement of Changes in Equity	4 – 5
Condensed Interim Statements of Cash Flows	6
Notes to Condensed Interim Financial Statements	7 - 22

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(Expressed in Canadian Dollars)

As at	June 30, 2016	March 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 3)	\$ 480,157	\$ 175,790
Miscellaneous receivables	31,453	26,212
Prepaid expenses	21,557	17,068
	533,167	219,070
Exploration and evaluation assets (Note 4)	5,772,063	5,967,260
Investments (Note 5)	164,000	-
	\$ 6,469,230	\$ 6,186,330
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	160,922	105,277
Liability for flow-through shares	33,640	-
	194,562	97,576
<b>Shareholders' equity</b>		
Share capital (Note 6)	9,927,601	9,658,124
Contributed surplus (Note 6)	615,525	553,922
Deficit	(4,268,459)	(4,130,993)
	6,274,667	6,081,053
	\$ 6,469,229	\$ 6,186,330

Commitments and contingencies (Note 11)

Subsequent events (Note 12)

Approved by the Board of Directors

“Wayne Reid”

Director

“Brian Crawford”

Director

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30	2016	2015
<b>Operating expenses</b>		
Filing and transfer agent fees	\$ 5,476	\$ 2,845
General and administration costs	74,587	96,933
Professional fees	10,147	6,250
Share based compensation	54,015	-
Depreciation	-	777
	<b>144,226</b>	<b>106,805</b>
<b>Loss before other income (expense)</b>	<b>144,226</b>	<b>106,805</b>
Write-down of exploration and evaluation assets	9,000	-
<b>Loss before income taxes</b>	<b>153,226</b>	<b>106,805</b>
Deferred tax benefit	(15,760)	(3,305)
<b>Net loss and comprehensive loss</b>	<b>\$ 137,466</b>	<b>\$ 103,500</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Weighted average number of shares outstanding</b>	<b>36,859,822</b>	<b>32,412,350</b>

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Common Shares Issued and Fully Paid</b>	<b>Contributed Surplus</b>	<b>Accumulated Deficit</b>	<b>Total</b>
<b>Balance, March 31, 2015</b>	31,906,855	\$ 9,580,818	\$ 588,204	\$ (3,392,212)	6,776,810
Shares issued for exploration and evaluation assets	1,400,000	70,000	-	-	70,000
Loss for the period		-	-	(103,500)	(103,500)
<b>Balance, June 30, 2015</b>	33,306,855	\$ 9,650,818	\$ 588,204	\$ (3,495,712)	6,743,310
Expiration of options		-	(26,976)	26,976	-
Broker warrants expired		7,306	(7,306)	-	-
Loss for the period		-	-	(662,257)	(662,257)
<b>Balance, March 31, 2016</b>	33,306,855	9,658,124	553,922	(4,130,993)	6,081,053
Private placement	6,640,000	332,000	-	-	332,000
Share issue costs		(14,535)	-	-	(14,535)
Flow-through share premium		(49,400)	-	-	(49,400)
Broker warrants issued		(7,588)	7,588	-	-
Share based compensation		-	54,015	-	54,015
Shares issued for exploration and evaluation assets	200,000	9,000	-	-	9,000
Loss for the period		-	-	(137,466)	(137,466)
<b>Balance, June 30, 2016</b>	40,146,855	9,927,601	615,525	(4,268,459)	6,274,667

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

**GTA RESOURCES AND MINING INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

<b>Three months ended June 30</b>	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	\$ (137,466)	\$ (103,500)
Items not affecting cash and cash equivalents		
Deferred income tax	(15,760)	(3,305)
Depreciation	-	777
Share-based payments	54,015	-
Change in non-cash working capital:		
Miscellaneous receivables	(5,241)	1,821
Prepaid expenses	(4,489)	(9,817)
Accounts payable and accrued liabilities	105,045	61,670
<b>Net cash used in operating activities</b>	<b>(3,896)</b>	<b>(52,354)</b>
<b>Financing activities</b>		
Issuance of common shares, net of issue costs	277,065	-
<b>Net cash provided by financing activities</b>	<b>277,065</b>	<b>-</b>
<b>Investing activities</b>		
Investment in and expenditure on exploration and evaluation assets	(102,802)	(133,532)
Proceeds on sale of exploration and evaluation assets	134,000	-
<b>Net cash used in investing activities</b>	<b>31,198</b>	<b>(133,532)</b>
<b>Net change in cash and cash equivalents</b>	<b>304,367</b>	<b>(185,886)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>175,790</b>	<b>812,656</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 480,157</b>	<b>\$ 626,770</b>
Supplemental schedule of non-cash transactions:		
Mineral property acquisition-shares issued	\$ -	\$ 70,000
Sale of mineral property – shares received	\$ 164,000	\$ -

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

**GTA RESOURCES AND MINING INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**1. NATURE OF OPERATIONS**

GTA Resources and Mining Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006. The address of the Company's registered office is 855 Brant Street, Burlington, Ontario L7R 2J6.

The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the development stage.

These condensed interim financial statements were approved by the board of directors on August 24, 2016.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance and conversion to International Financial Standards**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2016. The Board of Directors approved the financial statements on August 24, 2016.

**Basis of Presentation**

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**Functional Currency**

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

**Measurement Uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of depreciation for property and equipment, the collectability of the sundry accounts receivable, the valuation of other assets and accruals, the impairment and recoverability of non-financial assets, the assumptions used in the determination of the fair value of financial instruments and stock-based compensation, and the recognition of deferred income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

## **2. SIGNIFICANT ACCOUNTING POLICIES - continued**

### **Financial Instruments**

#### *Financial assets*

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial.

The Company has classified its cash and cash equivalents and miscellaneous receivables as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the fair value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets.

#### *Financial liabilities*

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

The Company has classified its accounts payable and accrued liabilities as other financial liabilities.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been negatively impacted.



**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)  
Three months ended June 30, 2016 and 2015

---

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of a financial asset is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations and comprehensive income (loss) to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2016 and June 30, 2015, none of the Company's financial instruments are recorded at fair value on the statement of financial position.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits at banks, and other short-term highly liquid investments.

**Mineral Exploration and Evaluation Assets**

Acquisition costs for exploration and evaluation assets are capitalized and include the cash consideration paid and the fair value of common shares issued on acquisition, based on the trading price of the shares on the date the shares are issued.

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling.

**GTA RESOURCES AND MINING INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

**Property and Equipment**

*Recognition and measurement*

On initial recognition, property and equipment are recorded 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 and equipment is subsequently carried at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

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

*Depreciation*

Depreciation is recognized in profit or loss at the following annual rate:

Computer software	50% declining balance basis
Equipment	three year straight line

Additions during the year are depreciated at one-half the annual rates.

Depreciation methods, useful lives and residual values are reviewed at a minimum at each financial year-end and adjusted if appropriate.

## **2. SIGNIFICANT ACCOUNTING POLICIES - continued**

### **Impairment of Non-financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less disposal costs or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual evaluation for indicators of impairment.

### **Reversal of Impairment**

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

### **Restoration, Rehabilitation and Environmental Obligations**

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at June 30, 2016 and June 30, 2015 as the disturbance to date is minimal.

### **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 income (loss).

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.

**GTA RESOURCES AND MINING INC.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax basis, 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.

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.

**Share-Based Compensation**

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

In situations where share options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods or services received at the grant date.

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 the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

All equity settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. If an option is not exercised prior to its expiration, the amount previously reflected in contributed surplus is credited to retained earnings (deficit).

**Share Capital**

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Valuation of equity units issued in private placements**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to common shares issued in the private placements at their fair value as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as contributed surplus in shareholders' equity. Share issue costs are netted against share proceeds on a pro rata basis.

**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 the individual investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the premium liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. Any resulting deferred tax as a result of tax rate differential is recognized as a deferred tax recovery or expense.

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 portion of the proceeds received but not yet expended at the year-end is disclosed separately as flow-through share liability in Note 10.

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

**Loss per share**

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

**Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company had no material provisions at June 30, 2016 and June 30, 2015.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**2. SIGNIFICANT ACCOUNTING POLICIES – continued**

**Recent Accounting Pronouncements**

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after April 1, 2016. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- (i) IFRS 9 Financial instruments (“IFRS 9”) is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.
- (ii) IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”) establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted.

- (iii) IFRS 16 *Leases* (“IFRS 16”) eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well.

## **2. SIGNIFICANT ACCOUNTING POLICIES – continued**

### **Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements is the policy on exploration and evaluation assets.

In particular, management is required to assess exploration and evaluation assets for impairment. Note 4 discloses the carrying values of such assets. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options which are fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

## **3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. 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 manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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 period ended June 30, 2016. The Company is not subject to externally imposed capital requirements.

The Company classified its cash and cash equivalents and sundry receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the expected maturity of these financial instruments. The fair value of amounts due to related parties has not been disclosed as their fair values cannot be reliably measured since the parties are not at arm's length.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued**

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	June 30, 2016	March 31, 2016
Cash and cash equivalents	\$ 480,157	\$ 175,790

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has significant cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash and cash equivalents consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of June 30, 2016. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk



**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

**3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued**

During the period ended June 30, 2016, the Company was not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company has no financial instruments exposed to other price risk.

**4. EXPLORATION AND EVALUATION ASSETS**

		<b>Auden Property</b>	<b>Northshore Property</b>	<b>Ivanhoe Property</b>	<b>Burnt Pond Property</b>	<b>Total</b>
Balance, March 31, 2015	\$	2,287,850	\$ 3,336,066	\$ 386,311	\$ 900	\$ 6,011,127
Acquisition costs		-	-	72,000	63,055	135,055
Deferred exploration costs		4,641	13,089	39,045	11,701	68,477
Balance, June 30, 2015	\$	2,292,491	\$ 3,349,156	\$ 497,356	\$ 75,656	\$ 6,214,659
Acquisition costs		(85,000)	3,063	-	-	(81,937)
Deferred exploration costs		7,752	21,093	(199,356)	5,049	(165,462)
Balance, March 31, 2016	\$	2,215,243	\$ 3,373,312	\$ 298,000	\$ 80,705	\$ 5,967,260
Acquisition costs		-	1,893	9,000	-	10,893
Sale proceeds				(298,000)		(298,000)
Write down				(9,000)		(9,000)
Deferred exploration costs		4,657	79,605	-	16,648	100,910
Balance, June 30, 2016	\$	2,219,900	\$ 3,454,810	\$ -	\$ 97,353	\$ 5,772,063

**Auden**

On June 21, 2010, the Company completed the acquisition of the Auden property located in Northern Ontario from 1518164 Ontario Inc., an unrelated party. Pursuant to the terms of the Acquisition Agreement, the Company acquired a 100% interest in and to the Auden Property in consideration for the issuance of 5,074,855 common shares.

The Auden property is subject to a 3% net smelter return and a 10% gross overriding in royalty in favour of the shareholders of the previous owner of the claims. The Company may purchase one-half of each royalty for an aggregate amount of \$2,000,000 at any time.

As at June 30, 2015, the Auden property consisted of 118 unpatented mining claims comprising 1,748 claim units covering 27,967 hectares in a largely contiguous block.

The Company has incurred exploration expenditures of \$1,088,089 and \$1,100,498 to June 30, 2015 and to June 30, 2016 respectively.

**Northshore**

On July 27, 2011 the Company and Balmoral Resources Ltd. ("Balmoral") entered into an Option Agreement whereby the Company has been granted the right to acquire up to a 70% interest in Balmoral's interest in the Northshore Property.

## **GTA RESOURCES AND MINING INC.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

#### **4. EXPLORATION AND EVALUATION ASSETS - continued**

Under the terms of the Option Agreement, the Company may earn an initial 51% interest ("First Option") in the Northshore Property by making cash payments to Balmoral of \$50,000, issuing in favour of Balmoral 2,500,000 common shares of GTA and incurring a minimum of \$2,500,000 in eligible exploration expenditures on the Property over a three-year period from receipt of regulatory approval. A cash payment of \$10,000, issuance of 1,000,000 shares and a year one exploration expenditure of \$350,000 (including the production of a 43-101 technical report) are firm commitments by GTA under the Option Agreement. The Company has made cash payments of \$70,000 and issued 2,500,000 common shares under the terms of the Option Agreement. In addition the Company has incurred exploration expenditures of \$2,691,735 and \$2,793,515 to June 30, 2015 and to June 30, 2016, respectively.

Upon exercise of the First Option outlined above, the Company will have the right to elect to proceed with a Second Option, under which the Company would have the ability to earn an additional 19% interest in the Northshore Property by making an additional cash payment of \$100,000, issuing an additional 1,000,000 shares in favour of Balmoral upon exercising its right and incurring additional exploration expenditures totalling \$3,000,000 over an additional 24 month time frame.

A portion of the property is subject to a variable (2% to 5%) net smelter return royalty on gold production from the claims. On July 14, 2014 the Company, pursuant to the Northshore Option Agreement, delivered to Balmoral the Exercise Notice to vest the Company's initial 51% interest in the Northshore Property and elected to form a 51/49 co-ownership on the Property with Balmoral. The Company will be the initial operator. The Company has incurred exploration expenditures of \$144,239 subsequent to the formation of the co-ownership with Balmoral.

#### **Ivanhoe**

On April 25, 2014 the Company entered into an Option Agreement with an individual and a private company to acquire a 100% interest in mining claims comprising the Ivanhoe Property in Northeastern Ontario.

Under the terms of the Option Agreement, GTA can earn a 100% interest in the Ivanhoe Property by making staged cash payments totaling \$260,000 and share issuances totaling 1,000,000 common shares over a 5 year period, and incurring minimum exploration expenditures of \$250,000 over a two year period. The Company may elect to accelerate some or all of the cash and share payments in order to exercise the Option at an earlier time.

The vendors will retain a 3% Net Smelter Royalty, half of which can be purchased for \$1,500,000.

During the period ended March 31, 2015 GTA commenced a program of prospecting and drill core sampling on the Ivanhoe Property and incurred exploration and evaluation expenditures of \$330,336 to June 30, 2015.

During the year ended March 31, 2016 GTA incurred exploration and evaluation expenditures of \$57,297 and as a result of the sale of its interest in the property subsequent to the year end for \$298,000, recorded impairment of \$217,608.

During the period ended June 30, 2016 GTA incurred exploration and evaluation expenditures of \$nil.

During the period ended June 30, 2016 GTA sold its interest in the property for \$298,000 comprised of \$134,000 cash and 200,000 shares of Probe Metals Inc.

#### **Burnt Pond**

On January 16, 2015 the Company staked 15 claim units of a mineral property known as the Burnt Pond Property in Central Newfoundland.

**GTA RESOURCES AND MINING INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**4. EXPLORATION AND EVALUATION ASSETS - continued**

In May 2015, the Company acquired a 100% interest in the Burnt Pond Zn-Cu Property in central Newfoundland. The property consists of six separate claim licences (103 units), located in the Tally Pond volcanic belt which hosts Teck Resources Ltd's Duck Pond Mine and a number of other Cu-Zn-Ag-Au massive sulphide deposits.

The core claims were staked by GTA in March, 2015. Two other licences (47 claim units) were recently purchased from an arm's length vendor. The closing on the latter two licences is subject to regulatory approval. Burnt Pond allows GTA to diversify into a zinc-copper project, in a producing belt with excellent infrastructure and a mining friendly jurisdiction.

During the year ended March 31, 2016 the Company staked an additional 5 claim units and acquired 46 claim units as part of the Burnt Pond Property, and incurred exploration and evaluation expenditures of \$16,751. Consideration for the 46 claim units included cash in the amount of \$3,055 and the issuance of 1,200,000 common shares. The transaction was measured based on market value of the equity instruments at \$0.05 per share rather than the fair value of the property acquired as there was no reliable measurement.

The Company has incurred exploration expenditures of \$33,398 to June 30, 2016

**5. INVESTMENTS**

	<u>June 30, 2016</u>	<u>March 31, 2016</u>
Probe Metals Inc. – common shares	\$ 164,000	\$ -
	<u>\$ 164,000</u>	<u>\$ -</u>

During the period ending June 30, 2016, the Company sold its Ivanhoe property and received as partial consideration 200,000 common shares of Probe Metals Inc. at a price of \$0.82 per common share.

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

**6. SHARE CAPITAL**

Authorized

Unlimited number of common shares

Issued

	Number of Shares	Share Capital	Contributed Surplus
<b>Balance March 31, 2015</b>	<b>31,906,855</b>	<b>\$ 9,580,818</b>	<b>\$ 588,204</b>
Shares issued for mineral property	1,400,000	70,000	-
<b>Balance June 30, 2015</b>	<b>33,306,855</b>	<b>9,650,818</b>	<b>588,204</b>
Expiration of options		-	(26,976)
Broker warrants expired		7,306	(7,306)
<b>Balance March 31, 2016</b>	<b>33,306,855</b>	<b>9,658,124</b>	<b>553,922</b>
Private placement	6,640,000	332,000	-
Share issue costs		(14,535)	-
Flow through share premium		(49,400)	-
Broker warrants issued		(7,588)	7,588
Share based compensation			54,015
Shares issued for mineral property	200,000	9,000	-
<b>Balance June 30, 2015</b>	<b>40,146,855</b>	<b>9,927,601</b>	<b>615,525</b>

**7. WARRANTS**

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance June 30, 2014</b>	-	\$ -
Warrants issued	5,035,000	\$ 0.14
<b>Balance June 30, 2015</b>	5,035,000	\$ 0.14
Warrants issued	6,840,000	\$ 0.06
Warrants expired	1,160,000	\$ 0.14
<b>Balance June 30, 2016</b>	10,715,000	\$ 0.09

**8. SHARE-BASED PAYMENTS**

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

**8. SHARE-BASED PAYMENTS – continued**

unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

A summary of the status of the stock option plan and changes for the period ended June 30, 2016 are presented below:

**During the period**

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise Price</b>	<b>Opening Balance</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Closing Balance</b>	<b>Vested and Exercisable</b>
February 23, 2012	February 23, 2017	\$1.00	10,000	-	-	-	10,000	10,000
March 22, 2012	March 22, 2017	\$0.90	870,000	-	-	-	870,000	870,000
September 18, 2012	September 18, 2017	\$0.50	37,500	-	-	-	37,500	37,500
December 1, 2012	December 1, 2017	\$0.50	100,000	-	-	-	100,000	100,000
November 6, 2013	November 6, 2018	\$0.20	265,000	-	-	-	265,000	265,000
November 12, 2014	November 12, 2019	\$0.07	1,280,000	-	-	-	1,280,000	1,280,000
June 15, 2016	June 15, 2021	\$0.06	1,125,000	-	-	-	1,125,000	1,125,000
			<u>3,687,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,687,500</u>	<u>3,687,500</u>
Weighted average exercise price			<u>\$0.29</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.29</u>	<u>\$0.29</u>

The weighted average remaining contractual life of options outstanding at June 30, 2016 was 3.08 years.

A summary of the status of the stock option plan and changes for the period ended June 30, 2015 are presented below:

**During the period**

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise Price</b>	<b>Opening Balance</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Closing Balance</b>	<b>Vested and Exercisable</b>
June 21, 2010	June 21, 2015	\$0.20	180,000	-	-	(180,000)	-	-
February 23, 2012	February 23, 2017	\$1.00	10,000	-	-	-	10,000	10,000
March 22, 2012	March 22, 2017	\$0.90	870,000	-	-	-	870,000	870,000
September 18, 2012	September 18, 2017	\$0.50	37,500	-	-	-	37,500	37,500
December 1, 2012	December 1, 2017	\$0.50	100,000	-	-	-	100,000	100,000
November 6, 2013	November 6, 2018	\$0.20	265,000	-	-	-	265,000	265,000
November 12, 2014	November 12, 2019	\$0.07	1,280,000	-	-	-	1,280,000	1,280,000
			<u>2,742,500</u>	<u>-</u>	<u>-</u>	<u>(180,000)</u>	<u>2,562,500</u>	<u>2,562,500</u>
Weighted average exercise price			<u>\$0.38</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.20</u>	<u>\$0.39</u>	<u>\$0.39</u>

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**8. SHARE-BASED PAYMENTS – continued**

The Company applies the fair value method in accounting for its stock options using the Black-Scholes option pricing model. During the three months ended June 30, 2016, the Company issued a total of 1,125,000 (2015 - nil) incentive stock options to investor relations consultants of the Company resulting in stock-based compensation of \$54,015 (2015-\$nil).

As at June 30, 2016 there was no amount (June 30, 2015: \$nil) of total unrecognized compensation cost related to unvested share-based compensation.

Total expenses arising from the share-based payment transactions that were capitalized during the period as part of exploration and evaluation asset acquisition costs were \$nil (June 30, 2015: \$nil).

**9. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Management fees (i)	\$ 37,500	\$ 61,500
Mineral property-exploration expenditures (i)	\$ 9,000	\$ 24,000
Office rent, supplies and admin. expense (ii)	\$ 11,504	\$ 11,700
Share based compensation	\$ 54,015	\$ -

(i) The Company paid \$12,000 (2015 - \$24,000) in management fees to the President of the Company; \$10,500 (2015 - \$15,000) to the CFO of the Company; \$15,000 to the Executive VP of the Company (2015 - \$22,500) and \$9,000 (2015 - \$24,000) in mineral property exploration consulting costs to the VP of Exploration.

(ii) The Company paid \$11,504 (2015 - \$11,700) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include \$52,848 (2015 - \$49,908) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

**10. COMMITMENTS AND CONTINGENCIES**

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

**GTA RESOURCES AND MINING INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

(Expressed in Canadian Dollars)

Three months ended June 30, 2016 and 2015

---

**10. COMMITMENTS AND CONTINGENCIES - continued**

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. Other liabilities include the liability portion (the premium) of the flow-through shares issued for the amount of the premium on flow-through funds that at June 30, 2016 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

**Flow-through Shares**

<b>Balance at June 30, 2015</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares issued in May 2016		49,400
Settlement of flow-through share liability on incurring expenditures		(15,760)
<b>Balance at June 30, 2016</b>	<b>\$</b>	<b>33,640</b>

**11. SUBSEQUENT EVENTS**

On August 1, 2016, 3,875,000 warrants expired unexercised.