FINORE MINING INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

YEARS ENDED DECEMBER 31, 2015 and 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Finore Mining Inc.

We have audited the accompanying consolidated financial statements of Finore Mining Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows 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 consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Finore Mining Inc. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Finore Mining Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 18, 2016

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31
(Expressed in Canadian Dollars, unless stated otherwise)

	Note	**2015** **$**	2014 $
ASSETS			
Current			
Cash		**32,050**	10,182
Receivables		**7,309**	4,758
Prepaid expenses		**4,509**	8,311
Total Current Assets		**43,868**	23,251
Equipment	3	**2,165**	2,634
Exploration and evaluation assets	4	**875,000**	11,035,197
TOTAL ASSETS		**921,033**	11,061,082
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9	**424,729**	359,056
Shareholders' Equity			
Share capital	5	**16,981,663**	16,703,563
Reserves	5	**1,840,049**	1,834,032
Deficit		**(18,325,408)**	(7,835,569)
Total Shareholders' Equity		**496,304**	10,702,026
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**921,033**	11,061,082

Nature of Operations and Going Concern 1

Subsequent Event 12

"Peter Tegart"
Peter Tegart, Director

"Mohan Vulimiri"
Mohan Vulimiri, Director

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in Canadian Dollars, unless stated otherwise)

	Note	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
General and Administrative Expenses			
Consulting fees	9	$ 71,101	$ 90,370
Insurance		-	3,627
Office and general		1,087	3,682
Professional fees		25,190	28,674
Rent		-	15,411
Share-based compensation	5	6,017	-
Transfer agent and filing fees		19,267	18,749
Travel and entertainment		-	175
Operating loss		(122,622)	(160,688)
Foreign exchange loss		(11,809)	(684)
Gain on debt settlement		-	37,500
Impairment of exploration and evaluation assets	4	(10,355,368)	-
Loss and comprehensive loss for the year		$ (10,489,839)	$ (123,872)
Basic and diluted loss per share		$ (0.49)	$ (0.01)
Weighted average number of common shares outstanding		21,417,245	15,793,743

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars, unless stated otherwise)

	Common Shares					
	Number of Shares	**Amount**	**Option Reserve**	**Warrant Reserve**	**Deficit**	**Total Shareholders' Equity**
		$	**$**	**$**	**$**	**$**
Balance – December 31, 2013	**15,489,132**	**16,656,886**	**1,511,157**	**322,875**	**(7,769,631)**	**10,721,287**
Net loss for the year	-	-	-	-	(123,872)	(123,872)
Gain on common control transaction	-	-	-	-	57,934	57,934
Issuance pursuant to mineral property amended option agreement (Note 4)	91,771	9,177	-	-	-	9,177
Debt settlement (Note 5b)	375,000	37,500	-	-	-	37,500
Balance – December 31, 2014	**15,955,903**	**16,703,563**	**1,511,157**	**322,875**	**(7,835,569)**	**10,702,026**
Shares issued – private placement	9,270,000	278,100	-	-	-	278,100
Shares issued – finders' fees	267,750	8,033	-	-	-	8,033
Share issue costs	-	(8,033)	-	-	-	(8,033)
Share-based compensation	-	-	6,017	-	-	6,017
Net loss for the year	-	-	-	-	(10,489,839)	(10,489,839)
Balance – December 31, 2015	**25,493,653**	**16,981,663**	**1,517,174**	**322,875**	**(18,325,408)**	**496,304**

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

FINORE MINING INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in Canadian Dollars, unless stated otherwise)

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Loss for the year	**$ (10,489,839)**	**$ (123,872)**
Adjustments for items not involving cash:		
- Gain on debt settlement	**-**	**(37,500)**
- Shared-based compensation	**6,017**	**-**
- Impairment of exploration and evaluation assets	**10,355,368**	**-**
Changes in non-cash working capital:		
(Increase) decrease in receivables	**(2,551)**	**20,483**
(Increase) decrease in prepaid expenses	**3,802**	**(3,161)**
Increase in accounts payable and accrued liabilities	**91,307**	**33,544**
Net cash flows used in operating activities	**(35,896)**	**(110,506)**
INVESTING ACTIVITIES		
Short-term investment	**-**	**11,555**
Acquisition of subsidiary	**-**	**774**
Exploration and evaluation assets	**(220,336)**	**(112,152)**
Net cash flows used in investing activities	**(220,336)**	**(99,823)**
CASH FLOWS FROM FINANCING ACTITVITIES		
Proceeds from issuance of shares	**278,100**	**-**
Proceeds from related party loan	**160,000**	**-**
Repayment of related party loan	**(160,000)**	**-**
Net cash flows provided by financing activities	**278,100**	**-**
Change in cash	**21,868**	**(210,329)**
Cash beginning of the year	**10,182**	**220,511**
Cash, end of the year	**$ 32,050**	**$ 10,182**
Income Taxes Paid	$ -	$ -
Interest Paid	$ -	$ -

Supplemental cash flow information (Note 6)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Finore Mining Inc. (the “Company”) was incorporated on November 29, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company’s principal business activity is the exploration of exploration and evaluation assets. On September 26, 2011, the Company changed its name from Otterburn Ventures Inc. to Finore Mining Inc. and the Company’s common shares began trading on Canadian National Stock Exchange, now known as Canadian Securities Exchange (“CSE”) under the new symbol of “FIN.” Effective January 1, 2014, the Company ceased trading on the OTC market.

The head office, principal address and registered office of the Company are located at Suite 2000, 1066 West Hastings Street, Vancouver, B.C., V6E 3X2.

The Company is in the process of exploring its exploration and evaluation assets interests and has not yet determined whether its exploration and evaluation assets interests contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets interests, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets interests.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The Company had a working capital deficiency and an accumulated deficit. These consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations and the ability of the Company to raise additional capital. Specifically, the recovery of the Company’s investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors may cast significant doubt upon the Company’s ability to continue as a going concern.

(Expressed in Canadian Dollars, unless stated otherwise)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's financial statements for the year ending December 31, 2015, including comparatives are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the audit committee and Board of Directors on July 18, 2016.

Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

Basis of Consolidation

The subsidiary of the Company is as follows:

			Portion of Ownership Interest and Voting Power Held	
Name of Subsidiary	Principal Activity	Place of Incorporation and Operation	December 31, 2015	December 31, 2014
Nortec Minerals Oy ("NMO")	Mineral Property Exploration	Finland	100%	100%

These consolidated financial statements include the accounts of the Company and its subsidiary company. Intercompany balances and transactions, and any unrealized income and expense arising from inter-company transactions are eliminated in preparing these consolidated financial statements.

Foreign Currencies

The Company's reporting and functional currency is the Canadian dollar. The Company considered indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange in effect at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financing Costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash

Cash is comprised of cash deposited at Canadian banks and demand deposits which are readily convertible into a known amount of cash. The cash is denominated in Canadian dollars.

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to profit or loss at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

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.

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 expenditures are not expected to be recovered, they are charged to the results of profit or loss. 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.

Equipment

Exploration equipment is recorded at cost less accumulated depreciation.

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

The Company depreciates its assets as follows:

Category	Method	Useful life
Exploration equipment	Straight-line	5 years

The depreciation method, useful life and residual values are assessed annually.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Decommissioning and restoration liability

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company did not have any significant decommissioning and restoration obligations for the periods presented.

Provisions

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

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

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payments 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.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis 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.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Warrants issued in equity financing transactions (Cont'd)

The Company uses the 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 the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the share issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

From time to time in connection with private placements, the Company issues compensatory warrants to agents ("Agent Warrants") as commission for services. Awards of Agent Warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants are issued. Any consideration received upon exercise of Agent Warrants is credited to share capital. The application of the fair value based method requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the Agent Warrants.

Comprehensive loss

Comprehensive loss is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale. The Company does not have any items representing comprehensive income or loss.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) attributable to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Current and deferred income taxes

(a) Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

(b) Deferred Tax

Deferred income tax is provided for based on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Current and deferred income taxes (Cont'd)

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Financial instruments – recognition and measurement

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

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

Financial assets and liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at FVTPL are measured at amortized cost using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments – recognition and measurement (Cont'd)

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as FVTPL.
b) Receivables have been classified as loans and receivables.
c) Accounts payable and accrued liabilities have been classified as other financial liabilities.

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in 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 to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, however the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Related party transactions

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

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the carrying value and the recoverability of exploration and evaluation assets;
- the inputs used in the accounting for share-based payments expense; and
- income taxes

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant accounting judgments and estimates (Cont'd)

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

- the accounting policies for exploration and evaluation assets;
- classification of financial instruments; and
- determination of functional currency.

New Standards, Interpretations and Amendments Adopted

As of January 1, 2015, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted the following new standards without any significant effect on its financial statements.

IAS 36 – Impairment of Assets ("IAS 36")

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal.

New Standards Not Yet Adopted

Effective for annual periods beginning on or after January 1, 2016

IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*

Amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

IFRS 14, *Regulatory Deferral Accounts*

IFRS 14 is a new standard to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.

IAS 16 & IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*

Amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets.

IAS 27, *Equity Method in Separate Financial Statements*

IAS 27 is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New Standards Not Yet Adopted (Cont'd)

IAS 1, *Presentation of Financial Statements*

Amendments IAS 1 as part of overall disclosure initiative to improve the effectiveness of disclosure in financial statements.

Effective for annual periods beginning on or after January 1, 2017

IAS 12, *Income Taxes*

Amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement.*

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

(Expressed in Canadian Dollars, unless stated otherwise)

3. Equipment

	Exploration equipment $	Total $
Cost		
Balance at December 31, 2013	-	-
Additions	3,221	3,221
Balance at December 31, 2014	3,221	3,221
Additions	-	-
Balance at December 31, 2015	**3,221**	**3,221**
Depreciation		
Balance at December 31, 2013	-	-
Depreciation/reduction	587	587
Balance at December 31, 2014	587	587
Depreciation/reduction	469	469
Balance at December 31, 2015	**1,056**	**1,056**
Carrying amounts		
Balance at December 31, 2014	2,634	2,634
Balance at December 31, 2015	**2,165**	**2,165**

4. EXPLORATION AND EVALUATION ASSETS

Läntinen Koillismaa Mineral Claims, North-eastern Finland

Balance December 31, 2013	**$**	**10,745,589**
Acquisition costs		1
Exploration costs		
Camp expenses		18,680
Consulting - geological		5,250
Project administration and general		11,507
Landowner costs		105,151
Professional fees		59,426
Professional fees – legal		89,593
Balance December 31, 2014	**$**	**11,035,197**
Exploration costs		
Landowner costs		110,330
Professional fees – legal		51,200
Professional fees – accounting		10,065
Camp expenses		19,065
Project administration and general		4,511
Impairment of exploration and evaluation assets		(10,355,368)
Balance December 31, 2015	**$**	**875,000**

On July 21, 2011, the Company entered into a binding letter of intent with Nortec Minerals Corp. (“Nortec”), whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the Läntinen Koillismaa Project (the “Project”). The binding letter of intent was replaced and superseded by the option agreement with Nortec (the “Nortec Option Agreement”) dated August 24, 2011. The effective date of the Nortec Option Agreement is September 6, 2011 (the “Effective Date”), which is the date the CSE accepted the filing of the option agreement. On September 7, 2011, the Company issued 185,000 common shares at $4.50 per share for a total of $832,500 as finder fees in connection with the option.

(Expressed in Canadian Dollars, unless stated otherwise)

4. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Läntinen Koillismaa Mineral Claims, North-eastern Finland (Cont'd)

On September 10, 2012, the Company entered into an amendment to the Nortec Option Agreement (the "Nortec Option Amendment"), whereby Nortec has granted the Company the right to acquire 70% interest in the Project by: a) issuing an additional 2,700,000 shares of the Company (issued at a value of $3,240,000); b) paying in full amount owed by the Company on account of the conduct of exploration work within 60 days from the date of the Nortec Option Amendment (full amount not paid on time); and c) granting Nortec the right to nominate two persons for appointment or election to the Company's board of directors. As the result, the remaining outstanding option obligations under the Nortec Option Agreement were not fulfilled.

On February 19, 2013, the Company entered into a second amendment agreement (the "Second Amendment Agreement") with Nortec, whereby Nortec and the Company agreed to such amendments that the Company has the sole and exclusive right and option to earn 100% interest in and to the Project for, among other things, 4,100,000 shares of the Company. On February 19, 2013, the Company issued 4,100,000 shares valued at $1,025,000 to Nortec. As at December 31, 2013, Nortec held a total of 8,322,721 shares of the Company which equated to a 54% interest.

Effective May 6, 2014, the Company acquired a 100% interest in the Läntinen Koillismaa Project from Nortec through the acquisition of Nortec Minerals OY ("NMO"), the subsidiary that holds title to the LK property. The Company has made the final payment to Nortec, comprised of 91,771 shares in Finore, pursuant to Second Amendment Agreement. As at December 31, 2014, Nortec held a total of 8,614,492 shares of the Company which equated to a 54% interest. During fiscal 2015, Nortec's ownership interest was diluted to 34%. This interest was further reduced in fiscal 2016 (Note 12).

The purchase of NMO, during fiscal 2014, was treated as an asset acquisition as follows:

Consideration: Common shares	$	9,177
Net assets acquired:		
Cash		774
Receivables		17,906
Due from the Company		52,591
Exploration and evaluation assets		1
Equipment		3,221
Accounts payable		(65,316)
	$	9,177

Excluded from the above were offsetting inter-company balances.

Due to unfavourable market conditions, the Company has determined that there was an indicator of impairment in relation to the LK Property and therefore has assessed if the value of the Property is required to be impaired. During the year ended December 31, 2015, the Company wrote down the carrying value of the LK Property from $11,230,368 to $875,000 and recognized an impairment loss of $10,355,368.

The recoverable amount of $875,000 is based on LK Property's fair value less cost of disposal. The Company's shares were issued/traded subsequent to year end in sufficient quantity with a constant price to reasonably value the recoverability of the Company's sole significant asset, the LK Property, and was further adjusted for subsequent property transactions.

(Expressed in Canadian Dollars, unless stated otherwise)

5. SHARE CAPITAL AND RESERVES

a) **Authorized**: Unlimited common shares without par value**.**

b) **Issued and Outstanding:** At December 31, 2015, there were 25,493,653 common shares issued and outstanding (December 31, 2014 – 15,955,903).

Details of common shares are as follows:

- On June 5, 2015, the Company closed a non-brokered private placement and issued 9,270,000 units of the Company at a price of $0.03 per unit for gross proceeds of $278,100. Each unit was comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.08 per warrant share for the first two years after the date of issue, and at an exercise price of $0.10 per warrant share during the third year after the date of issue. The Company paid a commission comprised of 267,750 units in connection with a portion of the private placement valued at $8,032. There was no value attributed to the warrants associated with the units issued.

- On May 7, 2014, the Company entered into debt settlement agreements with Nortec and the Company's directors. The Company issued 375,000 common shares at a price of $0.10 for a total of $37,500 to settle a total debt amount of $75,000, resulting in a gain on debt settlement of $37,500.

- On May 6, 2014, the Company issued 91,771 common shares at a price of $0.10 for a total of $9,177 pursuant to the Second Amendment Agreement (Note 4).

c) **Share Purchase Warrants**

A summary of the Company's share purchase warrants is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2014 and 2013	-	$	-
Issued	9,537,750	$	0.08
Balance, December 31, 2015	9,537,750	$	0.08

As at December 31, 2015, the Company had the following warrants outstanding:

Number	Exercise Price		Average Contractual Life	Expiry Date
9,537,750	$0.08	Year 1 & 2	2.43 Years	June 4, 2018
	$0.10	Year 3		

(Expressed in Canadian Dollars, unless stated otherwise)

5. SHARE CAPITAL AND RESERVES (Cont'd)

d) Stock Options

The Company has a stock option plan (the "Stock Option Plan") whereby the Company is authorized to grant options to officers and directors, insiders, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options are exercisable for a maximum term of 5 years.

The continuity of stock options for the years ended December 31, 2015 and 2014 is as follows:

	December 31, 2015		**December 31, 2014**	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Options outstanding, beginning of the period	20,000	$4.60	130,000	$ 4.60
Granted	1,500,000	$0.05	-	-
Cancelled or expired	(20,000)	$4.60	(110,000)	$ 4.60
Options outstanding and exercisable, end of the year	1,500,000	$0.05	20,000	$ 4.60

The options outstanding and exercisable at December 31, 2015 are as follows:

Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Remaining Contractual life	Expiry Date
$ 0.05	1,500,000	$ 0.05	1.13	February 17, 2017

The following options were outstanding as at December 31, 2014:

Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Remaining Contractual life
$ 4.60	20,000	$ 4.60	0.25

(Expressed in Canadian Dollars, unless stated otherwise)

5. SHARE CAPITAL AND RESERVES (Cont'd)

d) Stock Options (Cont'd)

The Company uses the Black-Scholes option pricing model to determine the fair value of the options granted with the following weighted average assumption;

	Year Ended December 31, 2015	Year Ended December 31, 2014
Dividend rate	0%	-
Risk-free interest rate	0.46%	-
Expected life	2	-
Expected volatility	253.88%	-

The fair value of the options granted and vested, as determined by the Black-Scholes pricing model, was $6,017 (2014 - $Nil) or $0.004 per option (2014: $nil).

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash investing and financing includes:

	December 31, 2015	**December 31, 2014**
Shares issued for acquisition of NMO	$ -	$ 9,177
Exploration and evaluation assets in accounts payable	92,264	121,898
Shares issued for debt settlement	-	37,500
Share issue costs in accounts payable	17,490	17,490
Capitalized depreciation in equipment	469	587
Units issued as finders' fees	8,033	-

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. 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 has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements.

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

There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At December 31, 2015 and 2014, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash is measured at fair value using level 1 as the basis for measurement in the fair value hierarchy. The carrying value of receivables and accounts payable and accrued liabilities approximate fair values due to the relatively short-term to maturity. The Company classifies its cash as FVTPL, its receivables as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

The Company’s financial instruments are exposed to certain financial risks, including credit risk, interest risk, liquidity risk, and foreign exchange rate risk.

(a) Credit risk

Credit risk is the risk of loss associated with a counter party’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding demand deposits in high credit quality banking institutions in Canada. The Company does not have any asset-backed commercial paper included in cash. Management believes that the credit risk with respect to receivables is remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of its short-term investment nature.

(c) Foreign Exchange Rate Risk

The Company has certain consulting fees and exploration and evaluation assets that are denominated in US dollars, European Euros and other operating expenses that are mainly in Canadian dollars. The Company’s exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar, the US dollar and the European Euro. The exposure to foreign exchange rate risk is considered low. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

(Expressed in Canadian Dollars, unless stated otherwise)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(c) Foreign Exchange Rate Risk (Cont'd)

At December 31, 2015 and 2014, the Company's US dollars, and European Euros denominated monetary assets and liabilities are as follows:

	December 31, 2015		December 31, 2014	
Monetary Assets				
Cash	EURO €	626	EURO €	6,989
Receivables	EURO €	904	EURO €	1,535

	December 31, 2015		December 31, 2014	
Monetary Liabilities				
Account payables and accrued liabilities	USD $	4,116	USD $	4,116
	EURO €	64,052	EURO €	79,448

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings. The Company is exposed to liquidity risk.

9. RELATED PARTY TRANSACTIONS

Key management personnel includes senior officers and directors of the Company.

Compensation to key management personnel is as follows:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Consulting fees – key management personnel	$ 43,850	$ 62,250

Other related party compensation is as follows:	Year Ended December 31, 2015	Year Ended December 31, 2014
Consulting fees - other	$ 13,200	$ 11,400

(Expressed in Canadian Dollars, unless stated otherwise)

9. RELATED PARTY TRANSACTIONS (Cont'd)

a) During the year ended December 31, 2015, the Company received and repaid a short-term, non-interest bearing, loan of $160,000 from a director of the Company.

b) During the year ended December 31, 2014, the Company settled $75,000 of debt with directors and companies controlled by directors of the Company by issuing 375,000 common shares at $0.10 per share and by recording a gain on debt settlement of $37,500.

Accounts payables and accrued liabilities of the Company include the following amounts due to related parties:

		December 31, 2015		December 31, 2014
Key management personnel	$	83,293	$	48,873
Other related parties	$	65,878	$	52,678
	$	149,171	$	101,551

10. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information of the Company's capital assets comprising exploration and evaluation assets and equipment is as follows:

		December 31, 2015		**December 31, 2014**
Exploration and evaluation assets				
Finland	$	**875,000**	$	11,035,197
	$	**875,000**	$	11,035,197

(Expressed in Canadian Dollars, unless stated otherwise)

11. INCOME TAXES

The Canadian income tax rate increased during the year due to changes in the law the increased corporate income tax rates in Canada.

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2015	December 31, 2014
Loss for the year	$ (10,489,839)	$ (123,872)
Expected income tax (recovery)	(2,727,000)	(32,000)
Change in statutory, foreign tax, foreign exchange rates and other	(124,000)	146,000
Share issuance costs	(3,000)	-
Permanent Difference	2,000	2,000
Adjustment to prior years provision versus statutory tax returns	(844,000)	(183,000)
Change in unrecognized deductible temporary differences	3,695,000	67,000
Total income tax expense (recovery)	**$ -**	**$ -**

The Canadian income tax rate increased during the year due to changes in the law the increased corporate income tax rates in Canada.

	December 31, 2015	December 31, 2014
Deferred Tax Assets		
Exploration and evaluation assets	$ 3,894,000	$ 232,000
Share issuance costs	3,000	16,000
Non-capital losses available for future period	1,577,000	1,531,000
	5,474,000	1,779,000
Unrecognized deferred tax assets	(5,474,000)	(1,779,000)
Net deferred tax assets	$ -	$ -

(Expressed in Canadian Dollars, unless stated otherwise)

11. INCOME TAXES (cont'd)

Temporary differences:		**December 31, 2015**	**Expiry Date Range**
Exploration and evaluation assets	$	16,192,000	No expiry date
Equipment		3,000	No expiry date
Share issuance costs		12,000	2016 to 2019
Non-capital losses available for future period		6,075,000	2019 to 2035
Canada		6,035,000	2028 to 2035
Finland		40,000	2019 to 2022

12. SUBSEQUENT EVENT

On June 22, 2016, the Company issued 10,000,000 units at $0.02 per unit for proceeds of $200,000. Each unit consists of one common share of the Company and one common share purchase warrant, exercisable at $0.05 for the first two years from grant date and $0.10 during the third year. Associated with the private placement, the Company issued 17,500 units, valued at $350, as finders' fees. There has been no value attributed to the warrants issued.