WESTRIDGE RESOURCES INC.

FORM 2A - LISTING STATEMENT

September 28, 2017

FORM 2A – LISTING STATEMENT

1. Table of Contents

2. Corporate Structure

2.1 Corporate Name

Westridge Resources Inc. (the "**Company**")
Suite 1518-800 West Pender Street
Vancouver, BC, V6C 2V6

2.2 Incorporation

The Company was incorporated on April 30, 2007 under the *Business Corporations Act* (British Columbia) under the name "Westridge Gold Corp." On January 15, 2008, the Company changed its name to "Westridge Resources Corp.". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

2.3 Intercorporate Relationships

The Company does not have any subsidiaries.

2.4 Requalification

The Company is not requalifying following a fundamental change and is not proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 Incorporation outside Canada

The Company is not incorporated outside of Canada.

3. General Development of the Business

3.1 General Business

The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. In 2012, the Company focused its exploration activities on the Mount Sicker property in the south-eastern area of Vancouver Island, B.C. The Company also acquired an option to acquire certain concessions in the United Mexican States known as the Charay Project. However, in 2013, the Company allowed the leases on the properties to lapse. The Company also acquired an option to acquire certain concessions in the United Mexican States known as the Charay Project. However, in 2013, the Company allowed the leases on the properties to lapse. As a result, the Company is currently pursuing investment opportunities.

On May 5, 2017, the Company entered into an Option Agreement with Intact Gold Corp. to acquire 100% right, title and interest in and to those certain minerals claims comprising the Black Jack Gold Property, located in the townships of Kirkup and Manross in the Kenora mining division of Ontario, approximately 20km southeast of the city of Kenora (the "**Property**"). The Company will pay Intact up to $155,000 and issue to Intact up to 150,000 common shares of the Company as per the schedule set out in the agreement.

3.2 Significant Acquisitions and Dispositions

The Company has not completed any significant acquisitions or dispositions, other than discussed above.

3.3 Trends, Commitments, Events or Uncertainties

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Refer to discussions set out in 4. *Narrative Description of the Business*, 6. *Management's Discussion and Analysis* and 17. *Risk Factors*.

4. Narrative Description of the Business

4.1 General

(1) Business of the Issuer

(a) Business Objectives

The Company has recently completed an initial Phase I work program on the Black Jack Property, consisting of a High Resolution Aerovision UAV-MAG survey at 20m line spacing for a total or 140 line kilometers, UAV orthophoto and DEM creation and compilation, digitization and interpretation of available historical data. The Company will continue to pursue other viable gold properties and investment opportunities.

Over the next 12-month period, the Company:

(i) The Company intends to complete further work programs on the Black Jack Property to determine viability going forward, including a trenching program and a detailed IP survey of targets identified in Phase I.

(b) Significant Events or Milestones

See 3.1 above.

(c) Total Funds Available

As at August 31, 2017, the Company had working capital in the amount of $226,601.89. The Company has historically relied upon equity financings and loans from directors to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities.

The Company had the following working capital at August 31, 2017.

		August 31, 2017
Working Capital Deficiency	$	226,601.89
Deficit		$ 0

The Company's ability to continue operations is dependent upon successfully raising the necessary financing to complete future exploration and development, and achieving future profitable production or selling its mineral properties for proceeds in excess of carrying amounts. These pursuits may be delayed given the current challenges faced by exploration stage companies seeking to raise exploration funds through the issuance of shares.

(d) Purpose of Funds

This is not applicable to the Issuer.

(e) Principal Products or Services

This is not applicable to the Issuer.

(f) Production and Sales

This is not applicable to the Issuer.

(g) Competitive Conditions and Position

See 17. *Risk Factors - Competition.*

(h) Lending and Investment Policies and Restrictions

This is not applicable to the Issuer.

(2) Bankruptcy and Receivership

The Company has not been the subject of any bankruptcy or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

(3) Material Restructuring

The Company was incorporated on April 30, 2007 under the *Business Corporations Act* of British Columbia. The Company's common shares commenced trading under the new name on the TSX Venture Exchange ("**TSXV**") on May 4, 2010. On July 19, 2016, the Company's common shares transitioned to the NEX Board of the TSXV as the Company did not maintained the requirements for a Tier 2 Company as per the policies of the TSXV. The Company's common shares began trading on the NEX Board under the symbol "WST.H".

4.2 Asset Backed Securities

The Company does not have asset backed securities.

4.3 Companies with Mineral Projects

Additional disclosure concerning the Company's property is provided in the Company's Technical Report NI 43-101 on the Black Jack Gold Project ("**NI 43-101**") which is available on SEDAR at www.sedar.com.

Table 4.0- Abbreviations and Units of Measurement

Abbreviation	Description	Abbreviation	Description
%	percent	li	limonite
AA	atomic absorption	m	metre
Ag	silver	m^2	square metre
AMSL	above mean sea level	m^3	cubic metre
as	arsenic	Ma	million years ago
Au	gold	mg	magnetite
AuEq	gold equivalent grade	mm	millimetre
Az	azimuth	mm^2	square millimetre
b.y.	billion years	mm^3	cubic millimetre
CAD$	Canadian dollar	mn	pyrolusite
cl	chlorite	Mo	Molybdenum
cm	centimetre	Moz	million troy ounces
cm^2	square centimetre	ms	sericite
cm^3	cubic centimetre	Mt	million tonnes
cc	chalcocite	mu	muscovite
cp	chalcopyrite	m.y.	million years
		NAD	North American Datum
Cu	copper	NI 43-101	National Instrument 43-101
cy	clay	opt	ounces per short ton
°C	degree Celsius	oz	troy ounce (31.1035 grams)
°F	degree Fahrenheit	Pb	lead
DDH	diamond drill hole	pf	plagioclase
ep	epidote	ppb	parts per billion
ft	feet	ppm	parts per million
ft^2	square feet	py	pyrite
ft^3	cubic feet	QA	Quality Assurance
g	gram	QC	Quality Control
gl	galena	qz	quartz
go	goethite	RC	reverse circulation drilling

Abbreviation	Description	Abbreviation	Description
GPS	Global Positioning System	RQD	rock quality description
gpt	grams per tonne	sb	antimony
ha	hectare	Sedar	System for Electronic Document Analysis and Retrieval
hg	mercury	SG	specific gravity
hm	hematite	sp	sphalerite
ICP	induced coupled plasma	st	short ton (2,000 pounds)
kf	potassic feldspar	t	tonne (1,000 kg or 2,204.6 lbs)
kg	kilogram	to	tourmaline
km	kilometre	um	micron
km^2	square kilometre	US$	United States dollar
l	litre	Zn	zinc

(1) Property Description and Location

(a) Location

The Black Jack Property is located near the western border of northwestern Ontario, Canada in the Kirkup Township within the Kenora Mining Division. Centered over 49.636296° Lat -94.288749° Long within National Topographic System (NTS) mapsheet 052E09 the property lies 19.5 km southeast of the city of Kenora, Ontario near the northeastern extent of Lake of the Woods (Figure 4-1 and 4-2). Kenora, population 15,500, is well equipped to support the mining industry with general service as well as an available skilled labour force, transportation (Canadian Pacific and Canadian National Railways, established highways, regional airport CYQK with 5,800 ft. runway) and abundant hydroelectric grid power. The property is located within the Grand Council Treaty #3 (GTC3) which is comprised of twenty-six First Nation Bands

(b) Mineral Titles

The Property consists of one unpatented mining claim located in the Kenora Mining Division totalling 240 hectares. The claim currently shows in the online registry as being owned 100% by Intact Gold Corp. (Table 4.1)

Table 4.1 Mineral tenure summary.

Claim	Township	District	Owner	Area	Staked	Due	Work

Number					Date	Date	Required
K 2471040	Kirkup	Kenora	Intact Gold Corp.	240 ha	2012-12-01	2017-12-03	$3,858

*note the recent survey amount of $58,065 is pending filing.

(c) Underlying Agreements

Westridge Resources Inc. has an option to acquire 100% of the Property from Intact Gold Corp. on the following terms:

Westridge will pay Intact up to $155,000 in cash and 150,000 common shares of Westridge on the following schedule:

- $50,000 upon the Effective Date of the Option (May 4, 2017)
- $5,000 and 50,000 shares May 4, 2018
- $50,000 and 50,000 shares May 4, 2019
- $50,000 and 50,000 shares May 4, 2020

The property is 100% owned by Intact subject to the Westridge option agreement and a two percent (2%) Net Smelter Return (NSR) in favour of the original owners of the property, of which the company may repurchase 1 per cent for $1-million.

The transactions leading up to the Black Jack Project's current status can be summarized as follows:

On May 4th, 2017, Westridge Resources Inc. entered into an option agreement with Intact Gold Corp. to acquire 100% of the Blackjack Property.

On February 10th, 2016, Intact Gold Corp. entered into an agreement to acquire 100% ownership of the Black Jack Project from King's Bay Gold Corp. in consideration of a cash payment of $10,000 and the issuance of 100,000 shares and 100,000 warrants exercisable at $0.345 for a period of two years. Only claim number K 2471040 was subject of this agreement. See Appendix A of NI 43-101 for the purchase agreement.

On January 20th, 2013 King's Bay Gold earned 100% interest in the Project from original stakers and property owners Luc Gagnon (50%) and David Clement (50%). At the time, the project was comprised of five claims, namely K4271040, K4271041, K4371042, K4271043 and K4273746. Ownership of all five claims was transferred in consideration of payments totaling $18,100 CDN and the issuance of 500,000 common shares in the company. The Vendors retain a two percent (2%) Net Smelter Return (NSR) interest in the Property. 1% of the NSR can be bought back at any time by paying the Luc Gagnon and David Clement a combined total of $1,000,000 CDN dollars.

Figure 4.1 Black Jack Project location map.

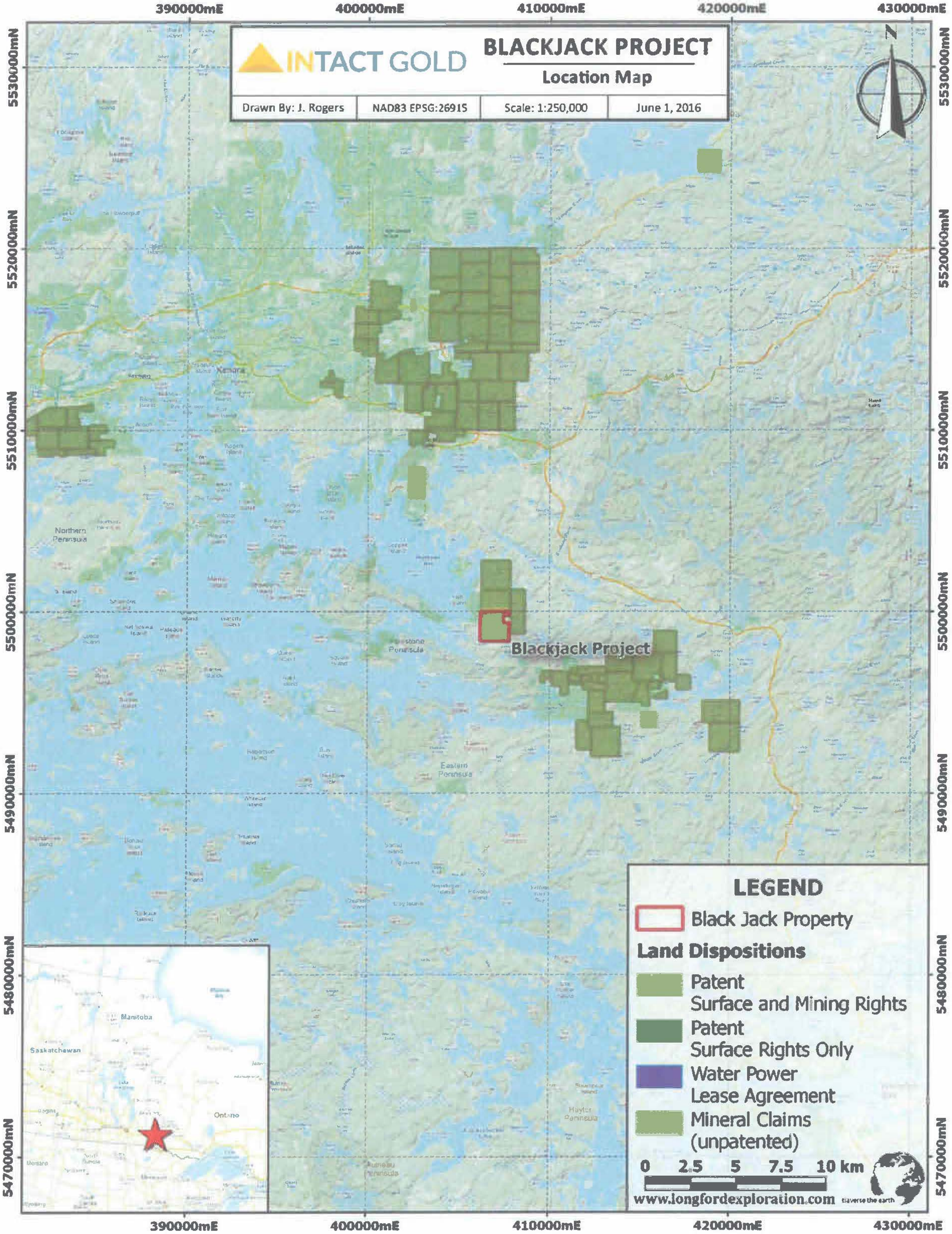
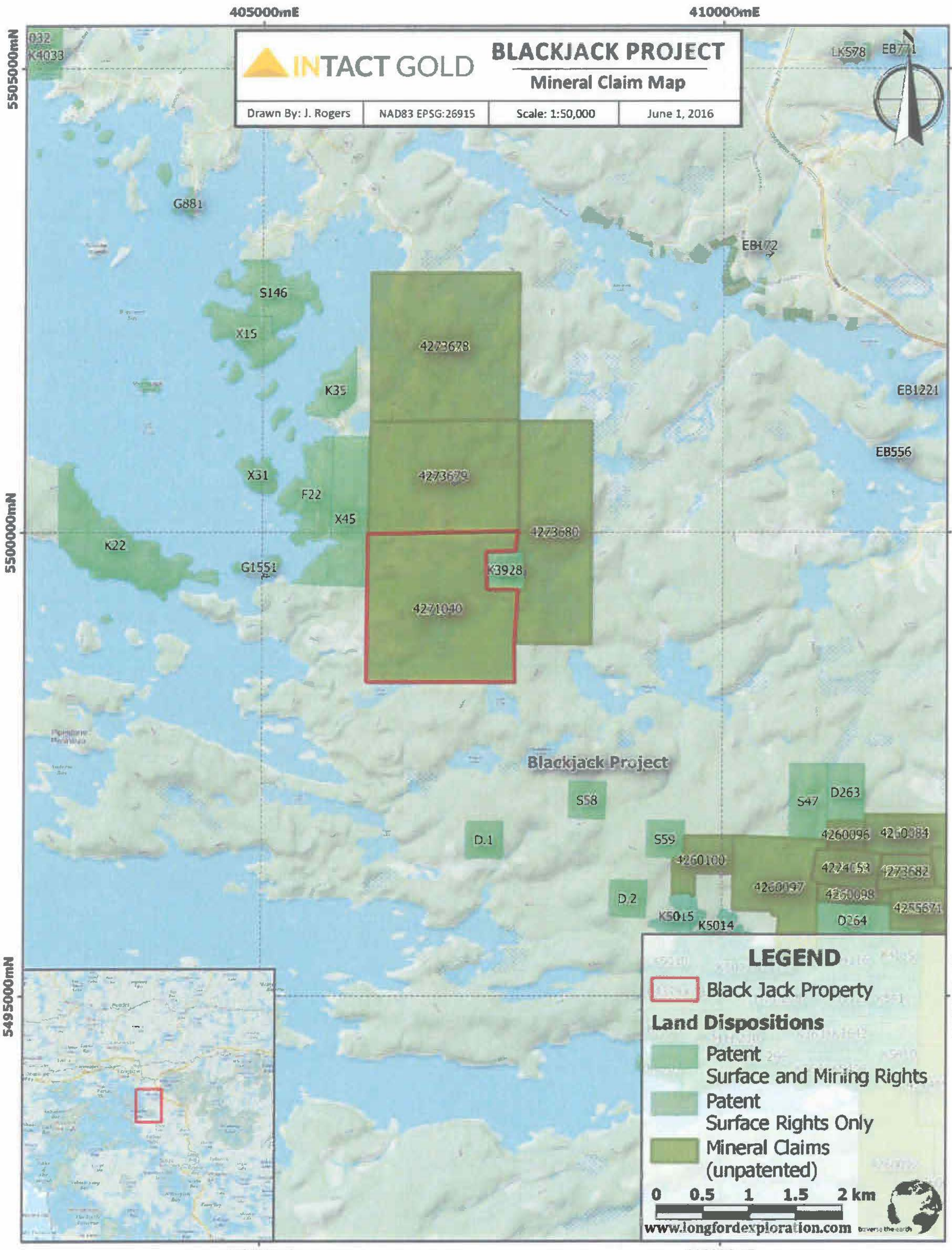


Figure 4.2 Black Jack Project mineral claim and land disposition map.



(d) Property Legal Status

The Ontario Mining Lands website (https://www.mci.mndm.gov.on.ca) confirms that all claims of the Property as described in Table 4.1 were in good standing at the date of this report and that no legal encumbrances were registered with the Ministry of Northern Development and Mines against the titles at that date. The author makes no assertion with regard to the legal status of the property. The property has not been legally surveyed to date and no requirement to do so has existed.

There are no other royalties, back-in rights, environmental liabilities, or other known risks to undertake exploration.

(e) Mining Claims in Ontario

The holder of an Ontario Prospector's License may prospect or stake a mining claim on crown land, or private property where the crown has mineral rights that is open for staking.

Mining claims in Ontario are being transitioned to an online staking system but are currently staked using posts and tags in the field. Each claim consists of at least one to a maximum of sixteen claim units. Each claim unit is a maximum of 16 hectares (400m x 400m) thus the maximum size of a claim is 256 ha. Each claim requires corner tags and line tags along the perimeter, a perfectly rectangular 16-unit claim will consist of 4 corner tags on posts and 12 line tags on posts at 400m intervals around the perimeter of the claim.

The licensee must make an application with accompanying diagram and payment to record the mining claim to a provincial mining recorder within 31 days after the day on which the staking was completed. If the recorder approves the application the claim will be recorded.

The government of Ontario requires expenditures of $400 per year per claim unit for staked claims, prior to expiry, to keep the claims in good standing for the following year. The report must be submitted by the expiry date.

The holder of a mining claim may obtain a mining lease for that claim though surface rights provisions under the Ontario Mining Act control the activity as work progresses. Surface rights may be sold or granted to a mining operation if they are necessary to carry out mining operations.

(f) Permitting

The Ontario Mining Act requires an Exploration Permit or Plans for exploration on Crown Lands. The permit and plans are obtained from the MNDM. The processing periods are 50 days for a permit and 30 days for a plan while the documents are reviewed by MNDM and presented to the Aboriginal communities whose traditional lands will be impacted by the work. Westridge Resources does not have any permits or applications in place at the time of writing.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

(a) Accessibility

The Black Jack Project is accessed by 33.3km of road from Kenora by driving southeast on paved Highway 17 for approximately 21km, then south on paved Storm Bay Road for 12.3km, then east on the unmarked dirt 4x4 road locally known as Blindfold Road (Figures 5.1, 5.2, 5.3).

Road distances from the property to select cities and ports are summarized in the following table:

Table 4.2 Driving distances to the Property.

Location	Description	Road Distance
Kenora (pop. 15,500)	Nearest city with services	33.3 km
Winnipeg (pop. 663,000)	Nearest international airport	242.6
Thunder Bay (pop. 110,000)	Port, mining service center	522.5

(b) Climate

There is a local weather observation station located nearby in Kenora. The project area has a humid continental climate typical of the Canadian Shield region with cold, dry winters (45 days below -20°C, 158 cm snowfall). Summers are typically warm with highs of 24°C in July. Average annual precipitation is 662mm with June being the wettest month and February the driest.

(c) Local Resources

General and skilled labour is readily available in the City of Kenora (population 15,500). The city, 33.3km by road from the project area, offers year-round charter and schedule fixed wing service (to Thunderbay), Ontario Provincial Police detachment, hospital, ambulance, fuel, lodging, restaurants, and equipment. 3G cellular service covers higher elevation portions of the project area. The Territorial Planning Unit of Grand Council Treaty #3 (GCT3) is also located in Kenora

(d) Infrastructure

There are two power generation assets nearby the project north of Kenora, the 87 MW Caribou station and the 64 MW Whitedog hydro station. An east-west 350 MW capacity transmission line carries power from north eastern Ontario to Kenora where it splits to carry on to Manitoba to the West and Ft. Frances to the south. The property is approximately 6 km from the nearest power distribution lines carrying power south from Kenora. 20 km northwest of the project there are rail terminals for both Canadian National and Canadian Pacific Railways. Kenora regional airport has a 5800' runway.

(e) Topography and Vegetation

The project is near the northeast corner of Lake of the Woods, two kilometers east from the shore. Elevation on the property ranges from 340m to 380m above sea level and the topography is relatively uniform with low rolling hills amongst lakes and wetlands. Vegetation is moderately dense and is typical of the Boreal forest in this region with the main conifer species being black and white spruce, jack pine, balsam fir, tamarack and eastern white cedar. The predominant deciduous species are poplar and white birch. (Figures 5 & 6)

Figure 4.3 Photos showing the general condition of roads used to access the Black Jack Project area.

Figure 4.4 Black Jack Project area access map showing road network.

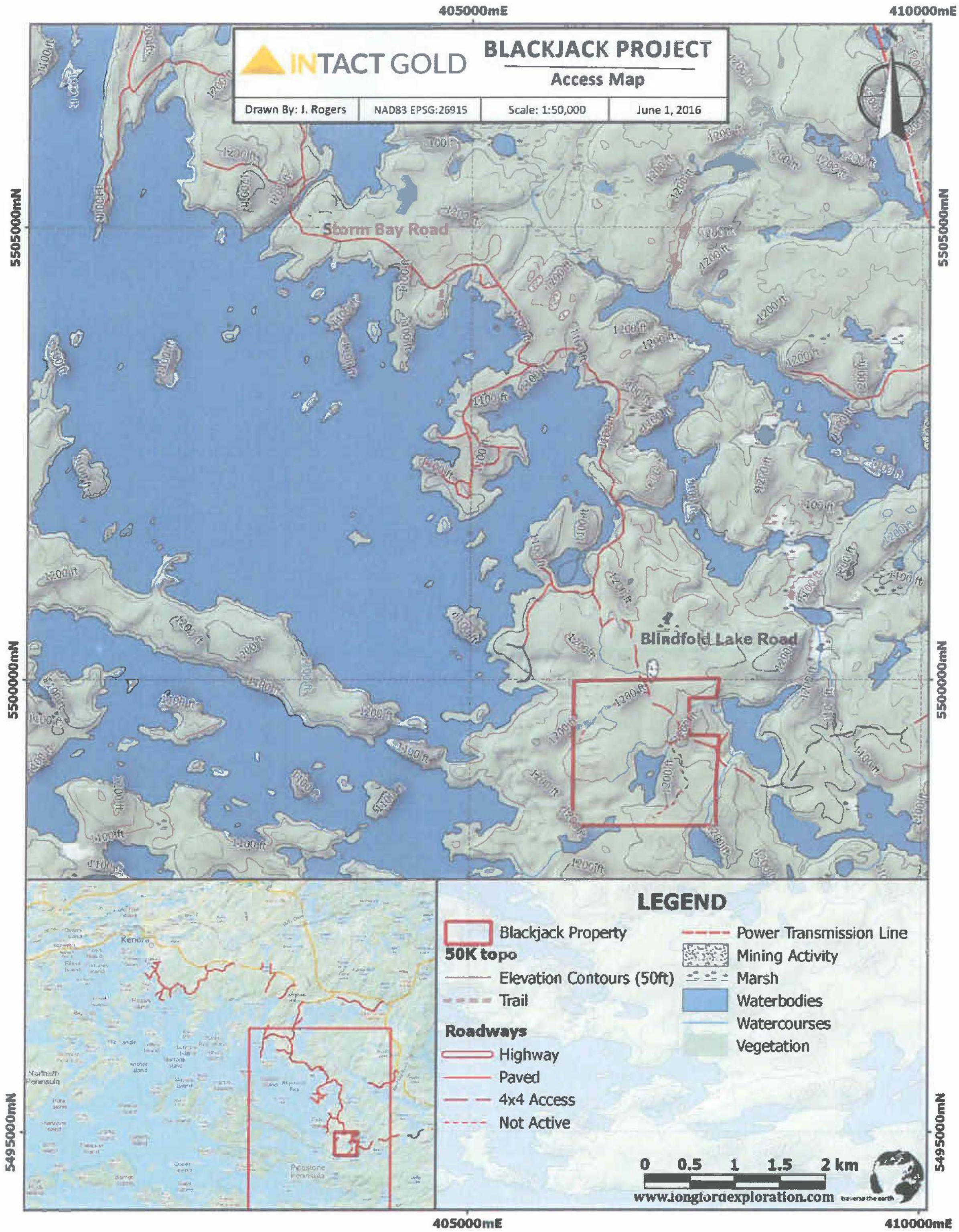


Figure 4.5 Map of Black Jack Project showing physiography, local road network and historic mine workings.

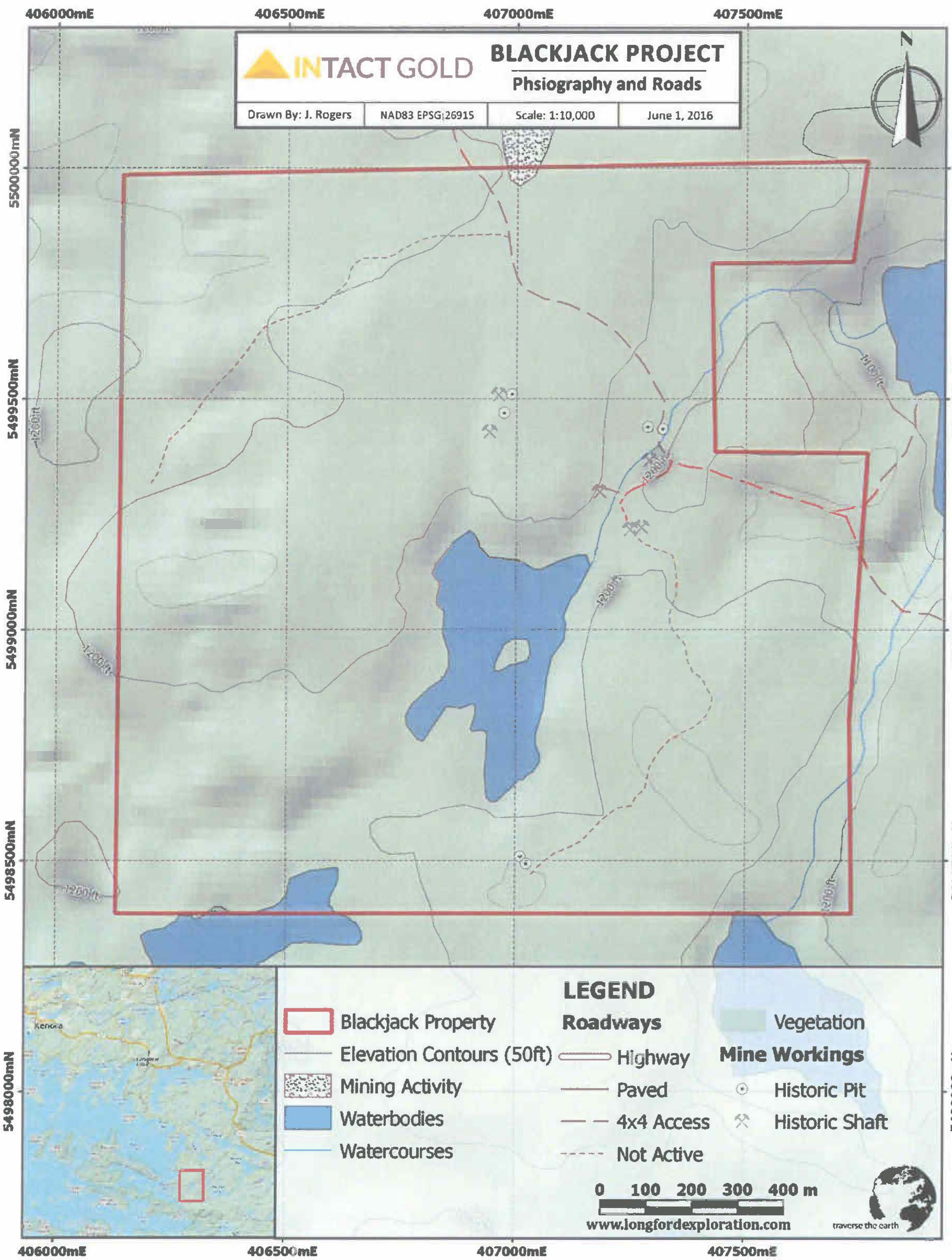
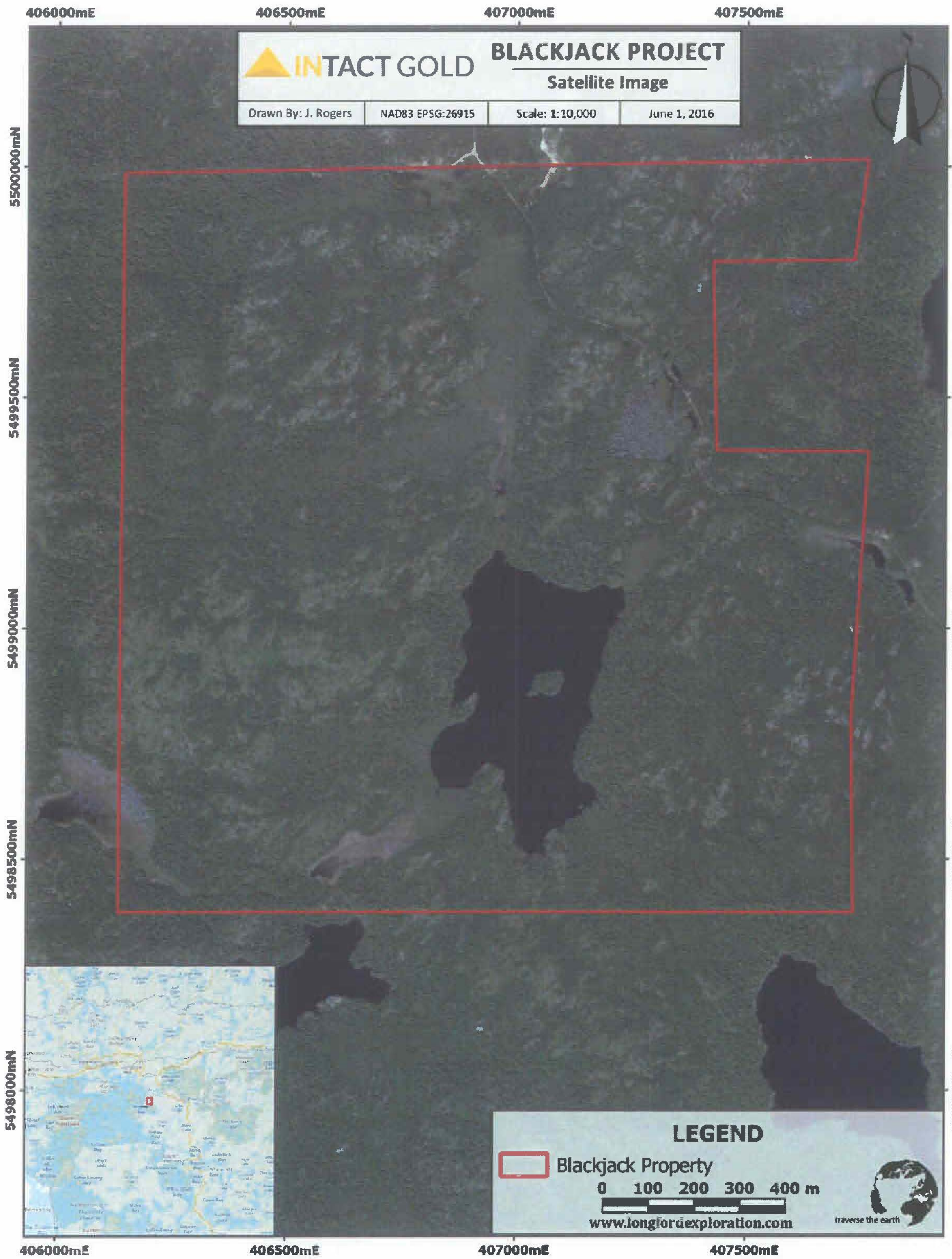


Figure 4.6 Satellite imagery from Blind Maps of the Black Jack Project area.



(3) History

(a) Historic Production

The following text is quoted from assessment report number 52E09NW0024 by Howard (1983):

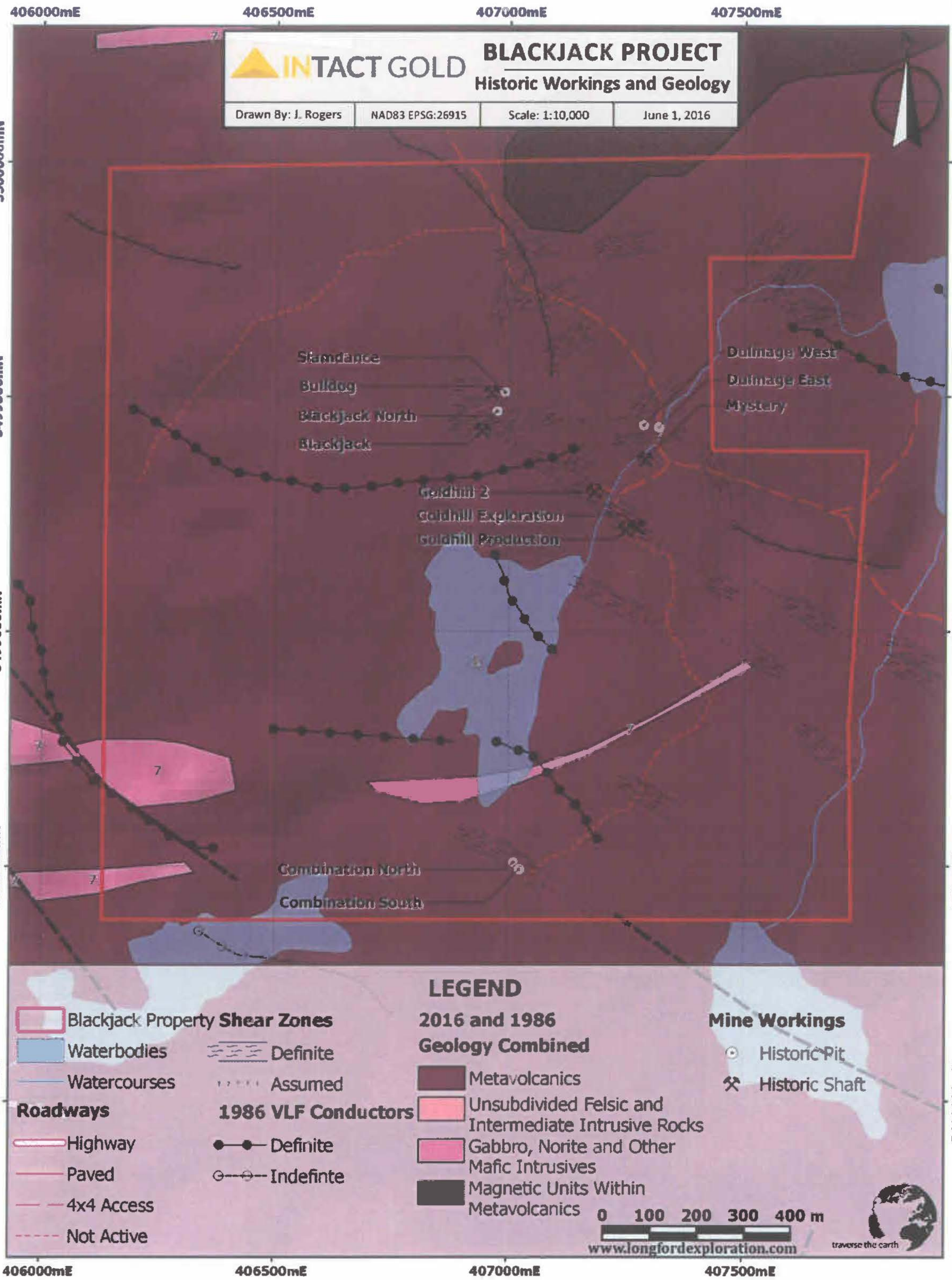
The Black Jack Prospect was staked in 1889 by a Toronto prospector, who between 1889 and 1892 sank an 18-foot test pit. In 1892 he sold the property to the Black Jack Mining Co., which sank an 80-foot shaft. Several other openings were made as well, including a shaft on what was called the "Bull Dog", reported as "a strong vein showing good ore".

In 1893 a crushing plant was installed, and a bulk sample of 50 tons was shipped producing 16.5 ounces of gold, for a grade of 0.33 oz Au/ton. In 1895 the property was purchased by Dominion Gold Mining and Reduction Ltd., and between 1895 to 1899 underground development continued. In 1899, the property was sold once again, to Brittania Consolidated Gold Mining Co. of Ontario Ltd., which renovated the old workings, and stoped a new pay streak. There is no report of work on the property after this date. The Gold Hill Mine was first discovered in 1884, and between 1885 and 1891 the discoverers, operating as the Gold Hill Co., prospected the area putting down several pits and shallow shafts, one to a depth of 56 feet. In 1891 the property was purchased by the Northern Gold Co. which in 1892, erected a ten-stamp mill and began underground development work. Northeast of the mill the "Combination and "Keystone" veins were sampled and eventually worked, the original 56-foot shaft reportedly occurring on the Keystone vein. Closer to the mill, shafts were sunk and underground work carried out on the "Ada G", the "D.B." and the "Pebble" veins. Total production from this period, reportedly between 1886 and 1893 was 220 tons, yielding 1089 oz Au for a grade of 4.95 oz Au/ton. In 1895 the mine was purchased by the Dominion Gold Mining and Reduction Co., which commenced to develop three shafts on the "Pebble" vein to 60 feet, 120 feet, and 22 feet, respectively, with accompanying drifting and crosscuts. Work also commenced on the "Jewel" vein to the south, at the east shore of Islet Lake, consisting of an open cut. Work continued at the Gold Hill Mine until 1899 when the mill burned down.

Figure 4.6 Reclamation of the historic Black Jack shaft.

[Figure 4.6 shows the reclaimed Black Jack shaft and Figure 4.7 shows the location of historic workings.]

Figure 4.7 Map showing the location of historic mine shafts and pits.



(b) Historic Exploration

From 1899 until 1983 no exploration work is reported on the project area. From 1983 through 1991 assessment work reports filed with the Ontario government show a history of nearly continuous exploration and development of the project area (Table 4.3).

Table 4.3 Historic exploration program summary.

Year	Company	Reports	Summary of Notable Work Preformed
1983 - 1984	Bonzano Exploration	52E09NW0019, 52E09NW0022, 52E09NW0023, 52E09NW0024	-38 rock samples, 8-week surveying and mapping program with a crew of two -200ft line spacing, with 25ft station spacing ground magnetometer survey
1985 - 1987	Kidd Creek Mining	52E09NW0017, 52E09NW0016	-Geophysics (line-cutting, aeromagnetic survey in two directions, ground VLF-EM-16 and ground magnetics, I.P) -Detailed mapping, prospecting and trenching -325 grab and channel samples from property and surrounding area
1988	Core Exploration	52E09NW0013	-116 grab samples collected
1988 - 1990	G. Zebruk and E. Hanson	52E09NW0014, 52E09NW0004, 52E09NW0007	-Two diamond drill holes GH-90-1 (100 ft.) and GH-90-2 (104 ft.) targeting the combination and pebble veins respectively.
1991	William Yeomans	52E09NW0015	-Ontario prospecting grant (OP91-643) -Relocation of grids, trenches and channel sample locations from 1985 program. -21 grab and chip samples taken for verification -prospecting of area

In particular, the most comprehensive and well documented exploration programs were conducted by Kidd Creek Mining from 1985 through 1987. A detailed mapping, geochemical, and geophysical program delineated several drill targets. The following conclusions and recommendations are an excerpt from the 1987 report authored by Daryl Hodges:

CONCLUSIONS

1) Gold occurs as free grains or with chalcopyrite within quartz veins which are hosted by narrow shear zones.

2) The free nature of the gold results in an erratic distribution.

3) Gold contents are not diluted in wider veins.

4) Associated metallic minerals are chalcopyrite, pyrrhotite, and pyrite. The presence of chalcopyrite may be a good indicator of potential gold mineralization.

5) The shear zones which host the gold-bearing veins trend northeast, southeast and east-west.

6) Both the shear zones and the veins are discontinuous along strike. Exposed veins range from 10 to 33 m long. The shear zones develop on structural "horizons" which may be hundreds of metres long but shearing is significant over shorter distances.

7) The amount of significant shearing along a given horizon is not known.

8) Regional geology and shear zone fabric indicate vertical movement has occurred, therefore the veins are expected to have greater vertical than horizontal extent.

9) No distinct mineralogical or chemical anomalies are associated with shear zones, regardless of whether or not the shear zone hosts a gold-bearing quartz vein. There is a hint that As may have a negative correlation, Ba and W a positive correlation with gold; in shears which host goldbearing veins. Gold appears to be its own pathfinder element.

10) A test humus sampling program has given background gold values of 1-2 ppb. Over known mineralized structures the content increases and is erratic, ranging from 8 to 20 ppb.

11) Results of the ground VLF geophysical survey showed no correlation to known structures. Results of the ground magnetometer survey were ambiguous and are presently not considered useful in pursuing gold mineralization.

12) IP geophysical surveys were conducted over the Black Jack-Slamdance area, the Goldhill (Pebble vein) structure and the Golden Gate structures. Subtle anomalies occur in association with some of the structures or along their strike extent.

RECOMMENDATIONS

1) It is recommended that the known gold-bearing structures be diamond drill-tested.

2) Choice of targets is based on 1) presence of economic gold mineralization on surface, 2) coincidence of IP anomaly with the known structure, 3) coincidence of IP anomaly with predicted structure, and 4) potential for gold mineralization based on historical record of development in a given structure.

3) The structures to be tested are the Golden Gate veins; Black Jack, Black Jack North shears and Slamdance vein; Pebble and related? veins at the Goldhill minesite.

4) The drilling must consist of several, short holes penetrating each structure as often as possible to determine vein continuity and to improve the chances of intersecting gold mineralization.

5) Follow-up work will be dictated by the results of drilling but may incorporate combined humus geochemical surveys and IP surveys to locate other potential gold-bearing structures. This work should initially be concentrated anywhere that gold in shear zones has returned values greater than 100 ppb.

(4) Geological Setting

(a) Regional geology

The following description of regional geology is summarized from Ontario Geologic Survey Open File Report 5638, Ayer et al. (1986).

Geology in the region of the property, generally the area southeast of Kenora, Ontario, on NTS map sheet 52E09, is dominated by three Archean aged units with only one other unit, Proterozoic dikes, in the region (Figure 4.8).

The Lower Mafic Unit consists of submarine tholeiitic basaltic flows up to 8km in thickness. It is mostly pillowed and massive flows with some mafic sills locally abundant in the upper part of the unit. Sitting conformably atop that is the Upper Felsic Unit found in the central parts of large synclinal structures which generally trend northeast. It consists of calc-alkaline andesite to rhyolite pyroclastics with minor flows. Sills and small intrusions can be found in this unit as well as rarely in the Lower Mafic Unit. Granitoid intrusions are the last dominant unit and are concentrated in the north and eastern parts of the region with the oldest ranging from diorites to granodiorites and the youngest being more felsic and potassic tonalities to granites. Minor northwest trending diabase dikes, Proterozoic in age, can also be found in the region.

Metamorphism is greenschist facies through the area except immediately adjacent to the granitoid intrusions where it is lower amphibolite. Deformation is related to two phases, the first large synclinal folds centred within the felsic units, the second associated with the emplacement of the Dryberry Batholith in the east. This second phase of deformation caused intense strain and resulted in folding, faulting, shearing and intense strain in the region.

Share or fault zones typically are several metres wide by several hundred metres long and are usually parallel or subparallel to stratigraphy. A major share zone, the Andrew Bay – Witch Bay Shear Zone, trends E-SE of the property area.

Regional airborne magnetics data is available from the Geological Survey of Canada (1987) and is used to present a regional total field magnetics map in Figure 4.9.

Figure 4.8 Regional geology map and property location after Ontario Geological Survey map # P2831.

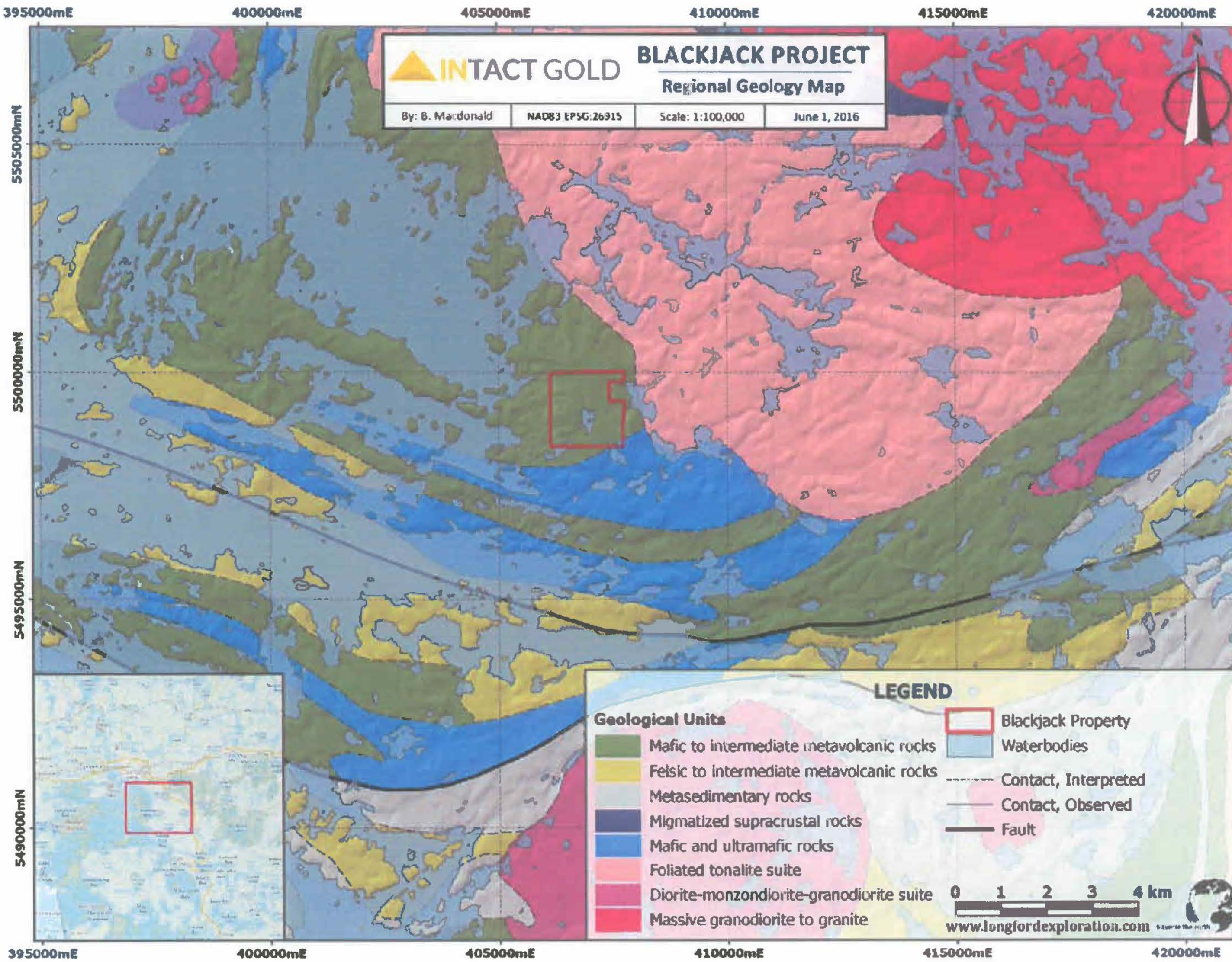
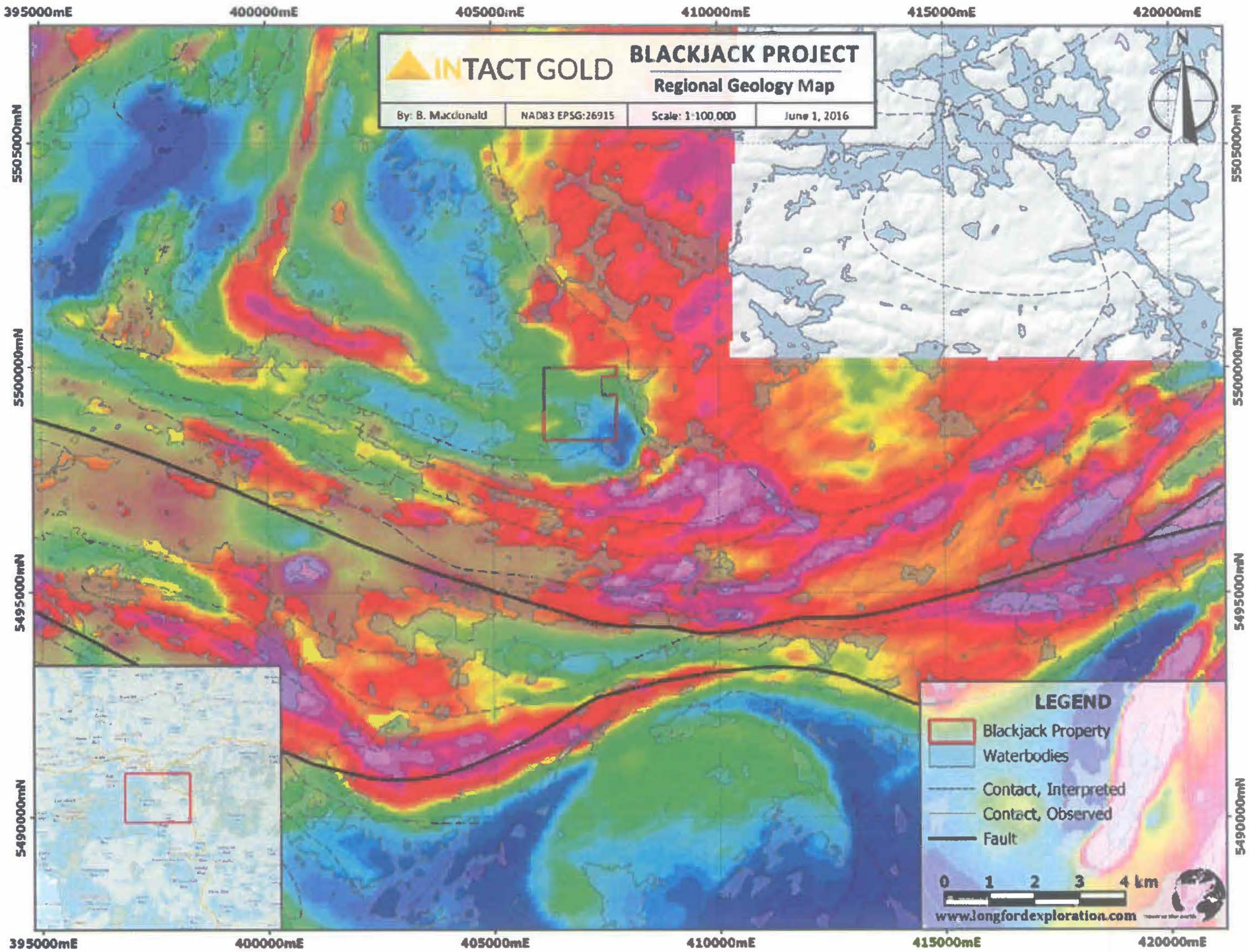


Figure 4.9 Regional total field magnetics map showing the Property location. Data from Geological Survey of Canada 1987.



(b) Property Geology

Modified after Hodges (1987) and field observations.

(c) Lithology, Structure and Alteration

The Black Jack Property is underlain by heavily fractured greenschist grade tholeiitic basalt flows which are locally pillowed or massive and intruded by east trending sill-like medium grained gabbroic bodies. The eastern property border is approximately 600 meters west of the Dryberry Batholith, a homogenous granitoid (Figure 4.11).

Deformation occurs in narrow, well defined, northeast, east and most commonly southeast trending shear zones not bound by stratigraphy. The zones vary in width from centimeters to ten meters and show dominantly vertical displacement with local dextral movement (Figure 4.10). Calcite occurs as pods and lenses within the foliation plane of shear zones and as stringer veinlets with quartz.

Chlorite is observed as an alteration throughout the country rock and is present in shear zones as veinlets, bands, and in vein selvedges. No penetrative alteration from the shear zones is noted in the country rock, making it difficult to locate shear zones through mapping. However, Hodges (1986) suggests that randomly oriented hairline fractures containing clinozoisite may be indicative of proximity to a shear zone and notes they occur up to 5 m away from some of the shear zones.

Property geology maps are shown in Figures 4.11 & 4.12.

Figure 4.10 Tension gashes showing a dextral sense of shear in a shear zone trending northeast in an area north of the Black Jack shaft.

Figure 4.11 1:25,000 scale property geology map.

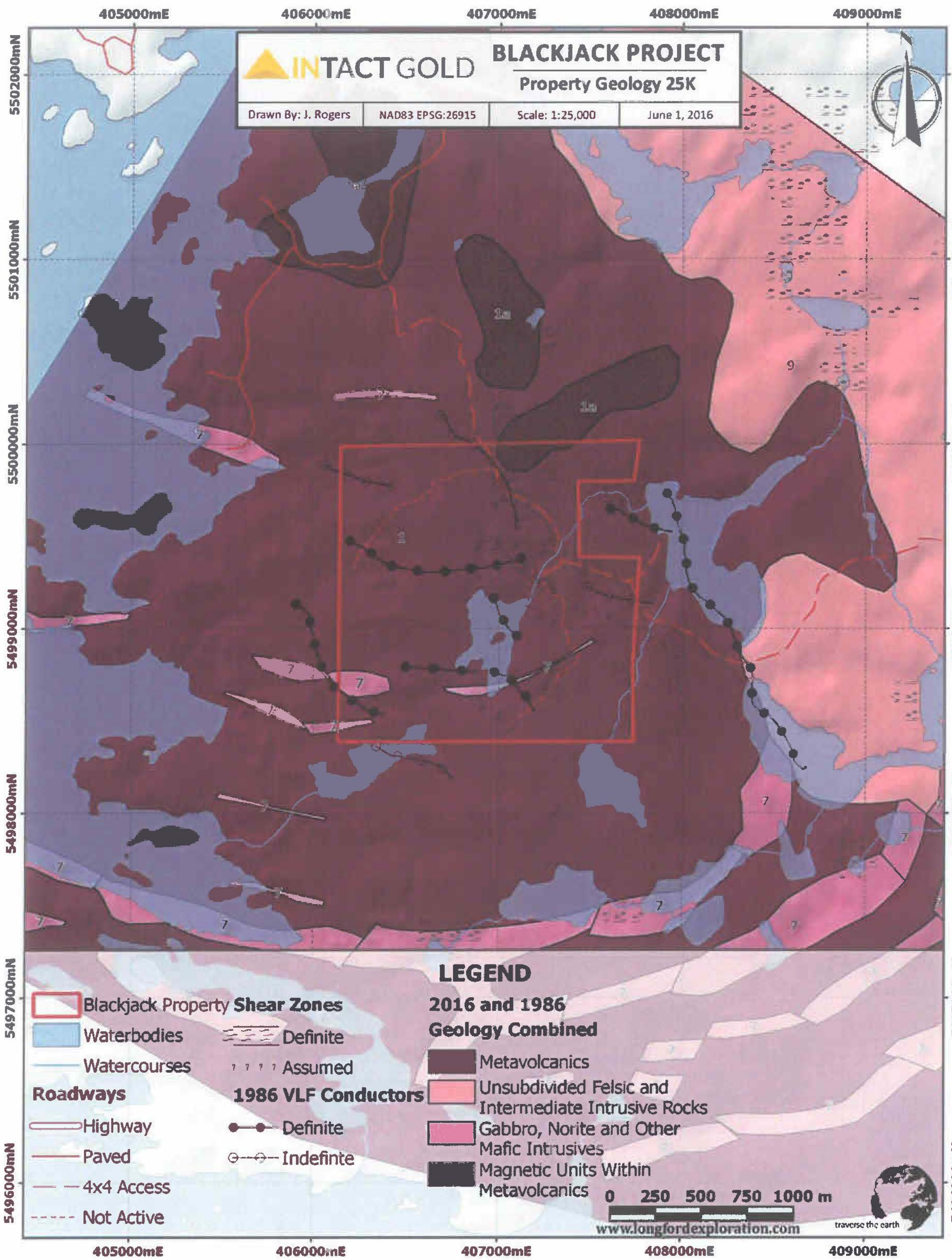
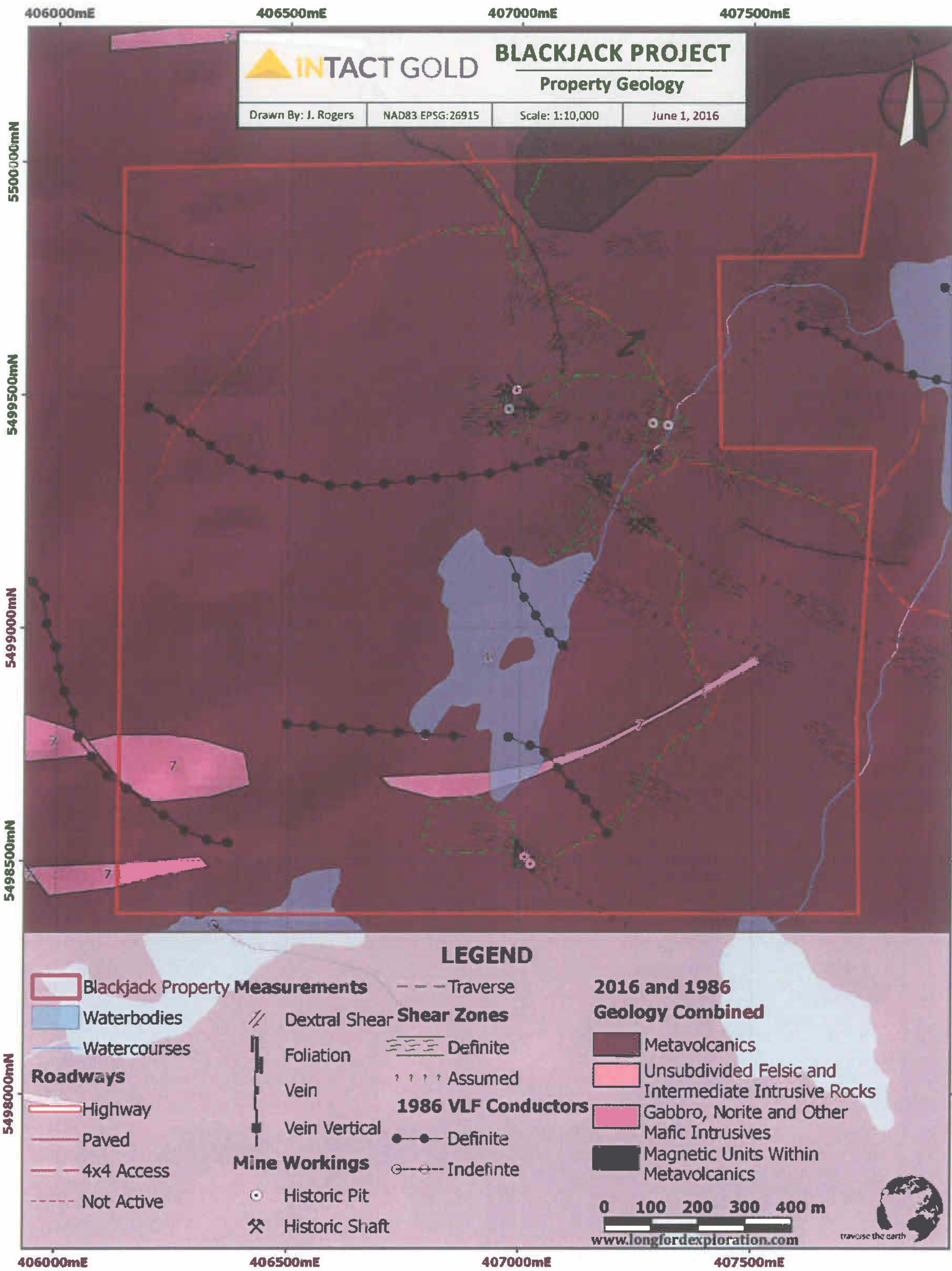


Figure 4.12 1:10,000 scale property geology map showing 2016 mapping traverses and historic workings.



(5) Exploration Information

(a) Exploration

Recent expenditures on the Blackjack Project are summarized as follows:

2017 UAV-MAG™ survey and orthophoto $58,065.00

2016 Compilation mapping and prospecting $20,141.75

TOTAL **$78,206.75**

(b) 2017 Exploration Program

Pioneer Aerial Surveys Ltd. was contracted by Longford Exploration Services to complete a high-resolution UAV-MAG™ survey and orthophoto over the entire Blackjack Property.

UAV-MAG™ Survey

The UAV-MAG™ survey was performed from May 20th - 24th and consisted of 135-line kilometers. The survey measures the total magnetic intensity (TMI) with GPS readings at every 0.1 second (1 m) using an unmanned aerial vehicle (UAV). The plotted total magnetic values were corrected for diurnal variations using readings taken every 6 seconds by a synchronized local base station.

The following is an excerpt from the geophysical interpretation performed by Abitibi Geophysics, 2017:

Recorded total magnetic field values over the Blackjack property range from 56 475 to 57 650 nT (average 56 620 nT). Analysis of the total magnetic field map presented in [Figure 9.1], reveals that the entire area under consideration can be broadly divided into three zones:

Zone I covers most of the central part of the grid; this zone corresponds to metavolcanic rocks which are characterized by low magnetic intensities. Four (4) prominent magnetic features (**A, B, C & D**) were highlighted in this zone. Amplitudes of these anomalies vary from 20 to 40 nT above a magnetic background of about 56 600 nT (figure 2). Historic mining shafts and pits (Blackjack, Blackjack North, Bulldog and Slamdance) seem associated to magnetic feature **B**. A few other scattered short-wavelength magnetic anomalies were also identified in this zone.

Zone II covers the northern portion of the survey grid. From a regional magnetic point of view, this zone corresponds to the southern flank of a broad magnetic feature (lineament) of 1.25 km in length trending NE-SW.

Moderate to high magnetic responses reaching 400 nT in amplitude were recorded in this zone.

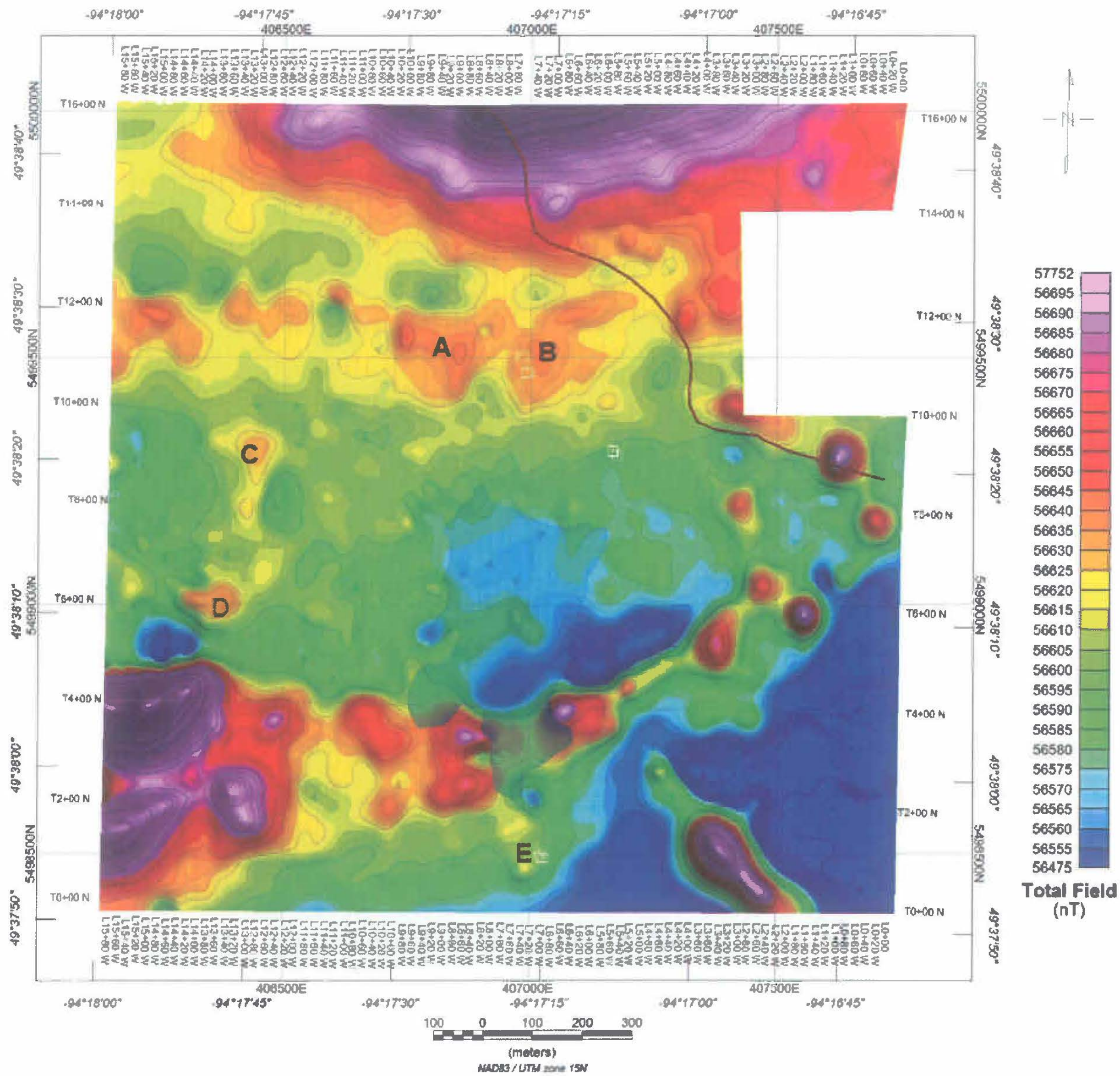
Zone III covers the southern part of the study grid. Two distinctive magnetic lineaments were detected in this zone. The first lineament is in the SSE section of the grid and seems trending NW-SE. Residual amplitude of this structure reaches 385 nT above a local magnetic background of 56 525 nT. Quantitative interpretation of this anomaly reveals that the causative source is very close to the surface (outcropping source). Its width is between 40m - 50 m, dipping to the NE and its magnetic susceptibility is likely to be in the 0.035 - 0.04 SI range.

As regards the second identified magnetic lineament, this dike-like shaped structure appears trending E-W to NE-SW (forming semi-arc) and shows a discontinued character caused probably by the past tectonic events. Residual amplitudes of this lineament vary from 50 to 900 nT above a background of 56 600 nT. According to the geological map of the Blackjack property, this magnetic feature corresponds to mafic intrusive rocks (gabbro, norite, etc.).

To note, the presence of a moderate to weak magnetic anomaly (**E**) in zone III, at coordinates (406 990 mE; 5 498 535). This anomaly shows the same magnetic amplitude as the previous anomalies **A**, **B** and **C** outlined in zone I. Apparently, rock samples with high gold contents were collected within this zone and the Combination North & South mineralized zones appears associated with this magnetic anomaly.

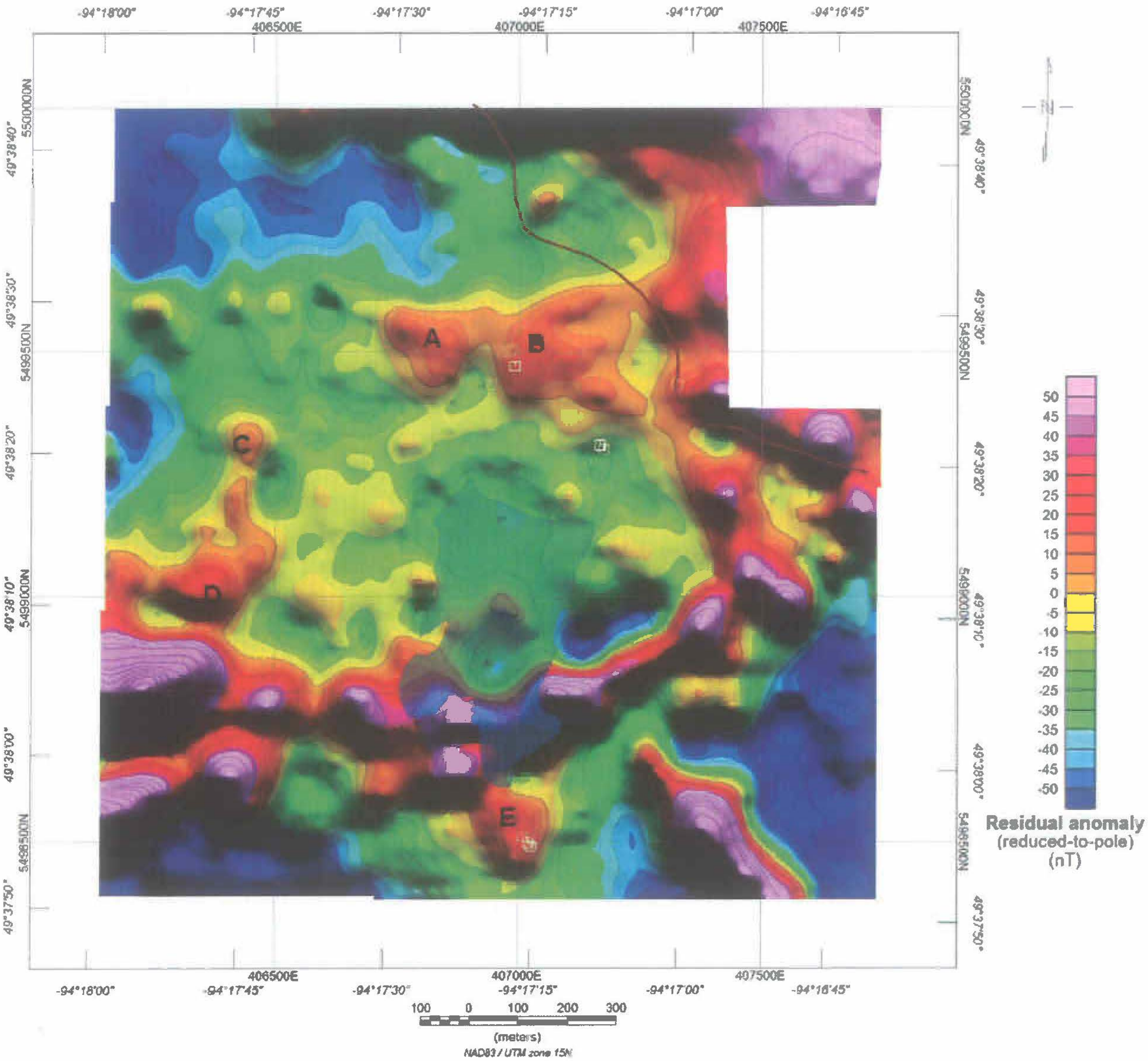
To further characterize the magnetic anomalies within the Blackjack project, enhancement techniques consisting of residual anomaly reduced to the pole, vertical gradient and tilt derivative were calculated to clarify the expected signatures, and to accentuate shallow magnetic features (enhance detail and sharpen sources) at the expense of deep features (figures 2 and 3). All the major lineations that are indicative of faults/shears have been interpreted and reported on the Geophysical Interpretation map (#10) with the residual amplitude contours.

Figure 4.13



Total Field
(nT)
57752
56695
56690
56685
56680
56675
56670
56665
56660
56655
56650
56645
56640
56635
56630
56625
56620
56615
56610
56605
56600
56595
56590
56585
56580
56575
56570
56565
56560
56555
56475
A
B
C
D
E
T16+00 N
T14+00 N
T12+00 N
T10+00 N
T8+00 N
T6+00 N
T4+00 N
T2+00 N
T0+00 N
406500E
407000E
407500E
5500000N
5499500N
5499000N
5498500N
-94°18'00"
-94°17'45"
-94°17'30"
-94°17'15"
-94°17'00"
-94°16'45"
49°38'40"
49°38'30"
49°38'20"
49°38'10"
49°38'00"
49°37'50"
100 0 100 200 300
(meters)
NAD83 / UTM zone 15N

Figure 4.14 Residual magnetic anomaly reduced to the pole.



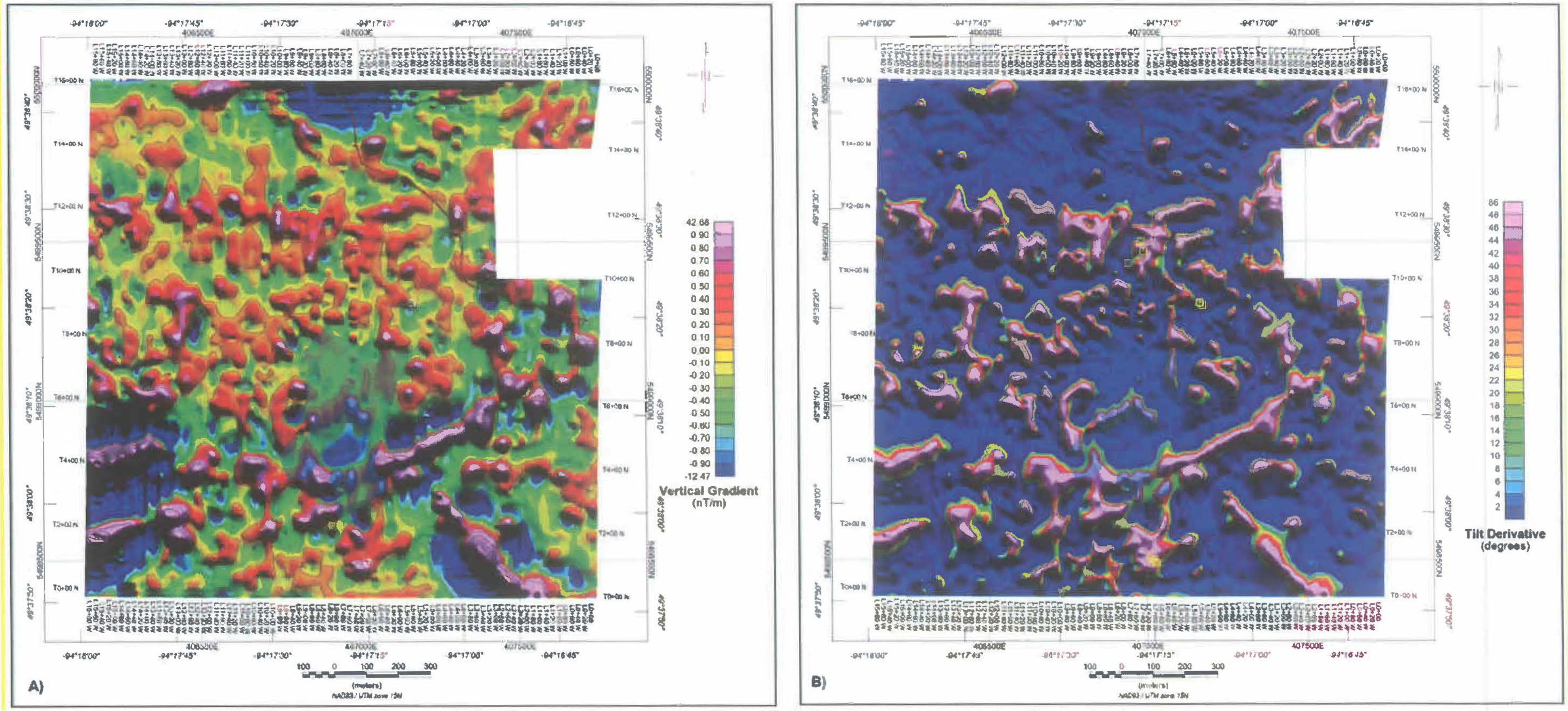


Figure 4.15 Calculated vertical magnetic gradient anomaly (A); calculated Tilt Derivative anomaly (B), of the Blackjack Project.

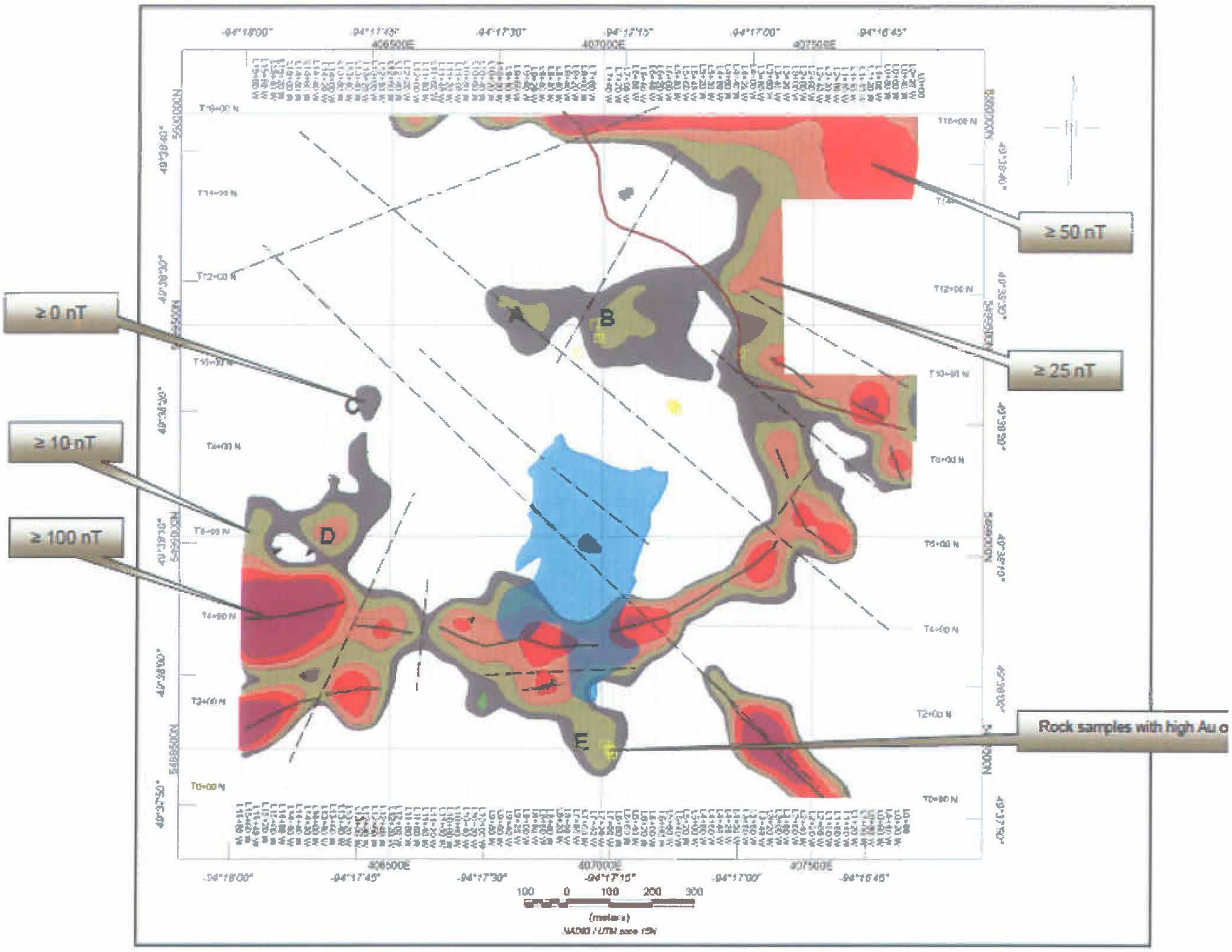


Figure 4.16 Simplified geophysical interpretation map of the Blackjack project.

(c) Orthophoto Survey

A photogrammetry survey was complete on June 22-23, 2017 using a fixed wing UAV. The survey was flown in two flights at 400 feet above ground level with a Sony NEX1 camera with 70 percent image overlap. The data was processed in Agisoft Photoscan Professional to produce an orthorectified photo with approximately 10cm resolution (Figure 4.17).

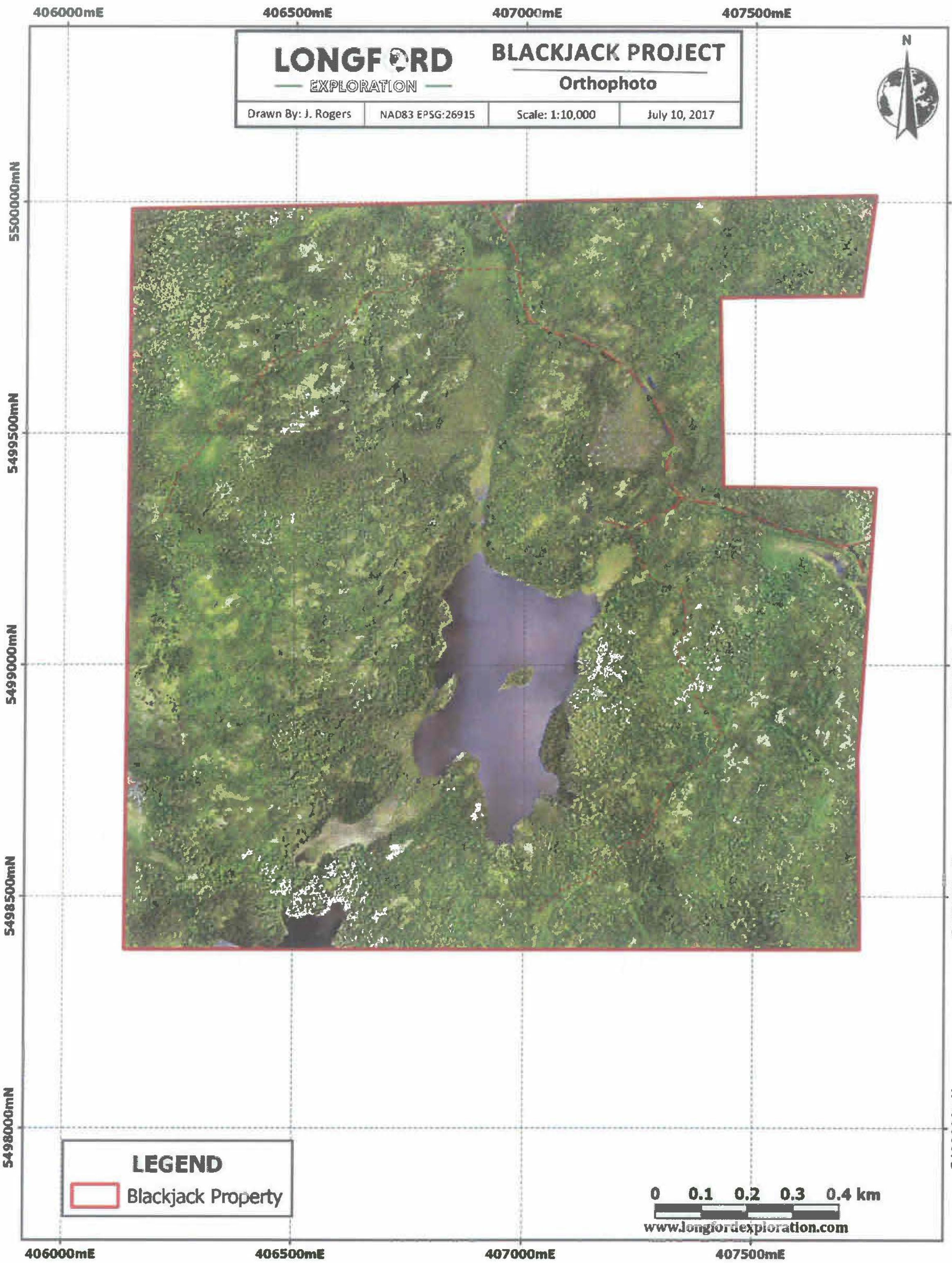


Figure 4.17 High resolution orthorectified image of the Blackjack Property.

(d) 2016 Exploration Program

At the request of Intact Gold Corporation, Longford Exploration Services Ltd. mobilized a field crew consisting of Brandon MacDonald and James Rogers from Vancouver, BC on May 26th, 2016. The field program ran from May 26th through May 31st, 2016 and consisted of geologic mapping and locating historic workings to georeference exploration data from previous exploration programs. Report writing was completed on June 2nd, 2016.

Geological Mapping
A geologic mapping and prospecting program was conducted by Brandon MacDonald and James Rogers. A total of 14 representative samples were collected and further described (Appendix B of NI 43-101). Mapping was focused on locating and obtaining orientation data from veins and shear zones, mineralogy, lithology and sense-of-shear indicators while describing alteration and mineralization characteristics. Mapping was intended to replicate and verify historic work and compile an updated Property Geology Map (Figure 4.12). A summary of the property geology is presented in the Geological Setting section above.

Georeferencing
Historic workings and samples were located using handheld Garmin 60CSX GPS units in NAD83 Zone 15N GRS80. From maps published in historic exploration program reports, approximate locations were established, ground-truthed, and entered into field notebooks and GPS Units (Figures 4.13 and 4.14).

Table 4.4 GPS coordinates of historic workings.

NAD83 Zone 15N		Description
Easting	Northing	
407288	5499366	"Mystery Shaft" un-named reclaimed shaft
406962	5499474	1986 Grid Location L244W 170N
406978	5499473	Black Jack North Shear centre of west pit
406944	5499427	Black Jack Shaft centre
406945	5499509	Bulldog Shear east end of trench
406965	5499512	Bulldog Shear shaft
407011	5498507	Combination Vein SW corner of westernmost pit, 1986 Sample #4703
407317	5499432	Dulmage Vein center of eastern pit of east side of road
407287	5499443	Dulmage Vein eastern point of western trench
407170	5499296	Goldhill #2 main shaft-filled
407168	5499308	Goldhill #2 Shaft area 1986 sample #1778 approximate
407272	5499223	Goldhill #3 test shaft
407244	5499225	Goldhill main production shaft
406990	5499501	Slamdance Vein pit

Figure 4.18 Author Brandon MacDonald recording the location of the Black Jack shaft.

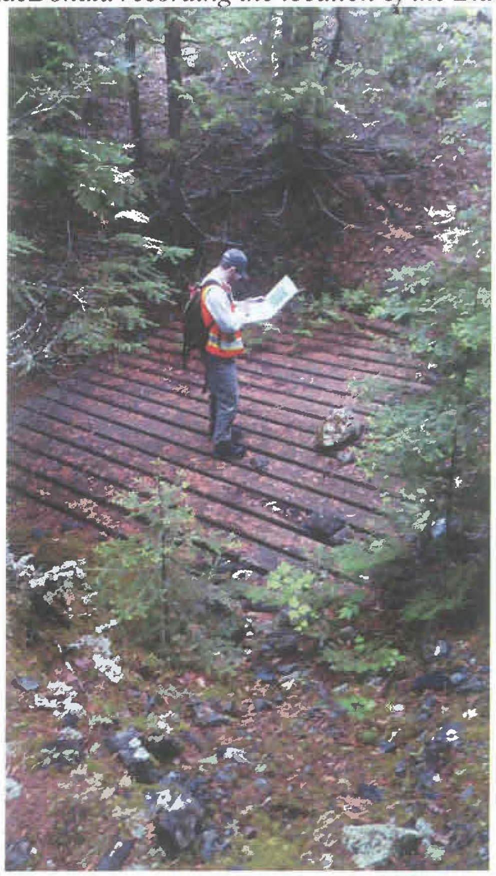


Figure 4.19 Locating and taking a representative sample of 1986 channel sample number 4703 of the Combination Vein.

Sampling

A total of 14 samples which were collected as representative samples and were submitted for analysis (Table 4.4). Multiple methods were performed on the samples as detailed in Appendix F. Four samples with gold amounts above 1 g/t by standard fire assay were resubmitted for a Metallic Screening process (Table 4.5).

Table 4.5 - Sample coordinates and gold assay results.

Sample ID	NAD83 ZONE 15N		Standard Fire Assay	Metallic Screen
	Easting	Northing	Au g/t	Au g/t
K934651	407237	5499610	0.031	
K934652	407237	5499610	0.0025	
K934653	407000	5499471	0.256	
K934654	406993	5499460	0.009	
K934655	406989	5499507	0.006	
K934656	406989	5499507	0.005	
K934657	406982	5499504	1.31	1.45
K934658	406979	5499504	3.57	1.66
K934659	406957	5499513	0.005	
K934660	406949	5499519	0.0025	
K934661	407291	5499442	2.86	2.75
K934662	407011	5498507	14.92	15.42
K934663	407011	5498507	0.024	
K934664	407168	5499308	0.384	

Table 4.6 Metallic screen results on four samples showing a coarse gold component.

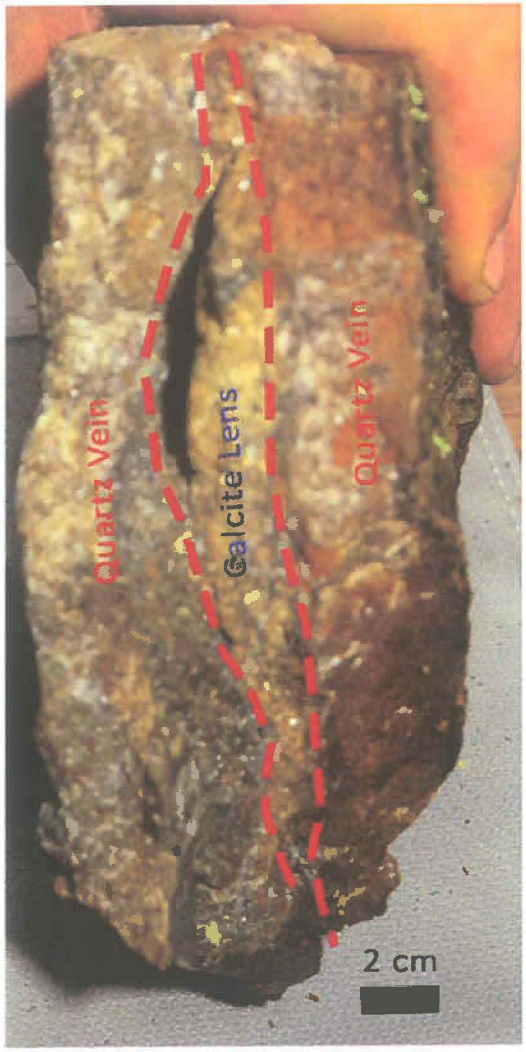
ANALYTE	Total Weight	Au +150 Weight	Au MET	Au -150 A	Au -150 B	Au -150 Avg.	Au +150
METHOD	GO_FAS31 K	GO_FAS31 K	GO_FAS31 K	GO_FAS31 K	GO_FAS31 K	GO_FAS31 K	GO_FAS31 K
DETECTION	0	0.01	0.5	0.01	0.01	0.01	0.5
UNITS	g	g	g/t	g/t	g/t	g/t	g/t
K934657	559	38.9	1.45	1.09	1.35	1.22	4.4
K934658	697	48.3	1.66	1.22	1.32	1.27	6.9
K934661	539	16	2.75	2	2.11	2.05	25.4
K934662	567	11.3	15.42	15.1	15.7	15.4	18.6

(6) Mineralization

Gold mineralization occurs in high concentrations sporadically within recrystallized quartz veins associated with pyrite, pyrrhotite and lesser chalcopyrite (Slamdance Vein). The mineralized quartz veins pinch and swell along strike within the central portions of confining shear zones in altered mafic volcanics (Figure 4.20). The mineralizing event is thought to be syn to pre-kinetic based on the observation of recrystallized quartz. There is no favoured structural orientation for mineralization as gold is historically shown to occur in all orientations of shear zones. Mineralization does not appear to be related to calcite which is found in most of the shear zones as pods and in vugs with well-formed quartz crystals (Figure 4.21). Boundaries between the calcite and quartz are well defined and sharp. Ankerite occurs in some veins with angular inclusions of mafic volcanic rock.

Figure 4.20 - Picture of sample at the Ontario Geologic Survey's Kenora office of a cut and polished sample taken from the Black Jack shaft area of quartz veining in altered basalt.

Figure 4.21 - Sample ID K934654 from Black Jack North showing a carbonate lens with vuggy contact bound by quartz vein material.



(a) Deposit Types

The principal deposit type outlined to date on the Black Jack property is that of Orogenic Lode Gold (± silver, ± copper). These deposits are epigenetic with gold mineralization related to quartz veining and silicification in volcanic rocks. They occur predominantly in ductile-share zones which are parallel or sub-parallel to regional structures, although there are also some cross-cutting fissure-type veins present in the region which are gold-bearing. These quartz veins are irregularly distributed with lenticular and boudinaged features from post-depositional deformation.

Gold occurs freely in quartz or associated with sulphides in the vein and/or the wall rock. Most common associated sulphides are pyrite and pyrrhotite, but there is also a strong association with chalcopyrite, sphalerite and galena.

(7) Drilling

No drilling has been carried out by the current operator, historic diamond drilling is summarized in the History section above.

(a) 1990 Drilling Program

Two diamond drill holes are reported to have been completed within the Black Jack project area in 1990, namely GH-90-1 and GH-90-2. There is limited drill log information available in assessment file numbers 52E09NW0004 and 52ENW0007.

DDH GH-90-1 was drilled at an azimuth of 50° and dip of 45° for a total depth of 100 feet. The hole was targeting the Combination Vein and intercepted 10% - 15% quartz-carbonate vein material from 72.25' – 73.25'. A total of six samples were taken for assay but results are not reported. The drill log is available in Appendix D of NI 43-101.

DDH GH-90-2 was drilled at an azimuth of 50° and dip of 45° for a total depth of 104 feet. The hole was targeting the Pebble Vein and intercepted 1. A total of ten samples were taken for assay and results are reported in the filed drill logs. Only one sample returned a gold values above the minimum detection limit. Interval 93.5' – 95.5' of 25% - 30% quartz-carbonate vein with 2% - 3% pyrrhotite and pyrite ran 0.009 Oz. / t Au. The drill log is available in Appendix D of NI 43-101.

Despite attempts in the 2016 field program, the drill collars were not located.

(8) Sampling and Analysis

(a) 2016 Sampling Procedure

During the 2016 mapping program a total of 14 representative samples were collected of various veins and lithologies. These samples were collected to enable detailed description out of the field and were collected and secured in a manor where sample integrity and provenance is maintained for future analytical procedures.

Samples collected were located by GPS in NAD83 UTM Zone 15N, the sample location was recorded in field notebooks, an Assay sample tag book and as a waypoint on a Garmin 60CSX GPS unit. Each sample was collected into its own 18" x 12" poly bag labeled with the locale (ie. "Blackjack North") and a unique 7-character sample ID (ie. K934651) assigned from a barcoded Tyvek sample book. A tear-out tag with the barcode and unique sample ID was inserted in the bag with the sample and the bag sealed with a cable tie in the field (Figure 4.22). The sample locations are marked in the field with orange flagging type and the unique sample ID number written on the flagging tape.

Figure 4.22 Representative field samples collected for further description from the Black Jack North area.

(b) Sampling Preparation and Analysis

The 14 samples collected during the 2016 mapping program were submitted for analysis at SGS Canada Inc in Burnaby, BC. The samples were first submitted on Jun 10, 2016 for the following processes:

No. of Samples	SGS Method Code	Description
14	G_LOG02	Pre-Preparation processing, sorting, logging, boxing
14	G-PRP89	Weigh, dry (up to 3.0kg) crush to 75% passing 2mm, split 250g, pulverize to 85% passing 75 microns
14	G_WGH79	Weighting of samples and reporting of weights
14	GE_IC14A	Aqua Regia digestion/ICP-AES finish
14	GE_IC14M	Aqua Regia digestion/ICP-MS finish
14	GE_IMS90A	Sodium Peroxide fusion/ICP-MS Package
14	GE_FAA313	Au, FAS, AAS, 30g-5ml (Final Mode)
1	GO_FAG303	30 g, Fire Assay, gravimetric finish (Au) (Final Mode)

Four samples which returned greater than 1 g/t Au by fire assay were resubmitted for a metallic screening process on August 19, 2016:

No. of Samples	SGS Method Code	Description
4	G_LOG02	Pre-Preparation processing, sorting, logging, boxing
4	G-PUL46	Pulverize 500g, Cr Steel, 85% passing 75 microns
4	GO_FAS31_K	Pulp metallic plus fraction Grav/AAS/ICP (with 4 portions possible)

The metallic screening process can be used to better represent the gold concentration in a sample when there is coarse gold present which may not pulverize and pass through a screen. This is accomplished by screening 500g of the sample to 75 microns, weighing the plus and minus fractions, assaying the entire plus fractions, assaying 2 aliquots of the fine fraction, and finally calculating an average of the minus fraction assays and a weighted average of the minus and plus fractions.

Certificates of analysis are available in Appendix F of NI 43-101.

(9) Security of Samples

(a) Data Verification

The author's site visit during the 2016 program was done with intent to visit known mineralized zones and, if Possible, take samples to verify the existence of gold mineralization. A total of fourteen samples were collected from outcrop in several areas of the property. The samples confirm the presence of mineralization. Best efforts were made to collect representative samples. For location information and results please refer to the Exploration section above.

Table 4.7 - 2016 Sample locations and gold results.

Sample ID	NAD83 ZONE 15N		Standard Fire Assay	Metallic Screen
	Easting	Northing	Au g/t	Au g/t
K934651	407237	5499610	0.031	
K934652	407237	5499610	0.0025	
K934653	407000	5499471	0.256	
K934654	406993	5499460	0.009	
K934655	406989	5499507	0.006	
K934656	406989	5499507	0.005	
K934657	406982	5499504	1.31	1.45
K934658	406979	5499504	3.57	1.66
K934659	406957	5499513	0.005	
K934660	406949	5499519	0.0025	
K934661	407291	5499442	2.86	2.75
K934662	407011	5498507	14.92	15.42
K934663	407011	5498507	0.024	
K934664	407168	5499308	0.384	

(10) Mineral Resources and Mineral Reserves

There are no currently no NI 43-101 compliant Mineral Resource Estimates for this Property.

There are currently no mineral processing or metallurgical studies concerning this Property to the Authors' knowledge.

(11) Exploration and Development

(a) Proposed Exploration Budget

The recommended exploration and work programs for the Blackjack Project are as follows:

Phase I - $325,000

- Compilation, digitization, and interpretation of all available historic data $30,000
- Structural mapping and prospecting $30,000
  Detailed structural mapping and sampling to identify additional shear zones and investigate the potential for gold bearing disseminated sulfides throughout the property.

- Geophysics, detailed IP survey $180,000
  Detailed Induced Polarization survey to identify additional shear and vein systems.
- Trenching program $85,000
  Surface trenching to check geophysical anomalies.

The Phase II program is contingent on positive results from the Phase I program and following a thorough compilation and review by a qualified person the following Phase II program is recommended.

Phase II - $450,000

- 1500m Diamond drill program $450,000
  - Diamond core drilling to verify the down dip extensions of known veins and geophysical and geochemical anomalies.

4.4 Companies with Oil and Gas Operations

The Company does not have any oil and gas operations.

5. Selected Financial Information

5.1 Annual Information

The following table summarizes financial information of the Company for the last three completed financial years ended July 31, 2016, 2015 and 2014 and the subsequent second quarter ended January 31, 2017. This summary financial information should only be read in conjunction with the Company's audited and interim financial statements, including the notes thereto, included elsewhere in this document.

SELECTED ANNUAL INFORMATION

	For the three month period Ended	For the Year Ended July 31,		
Operating Data:	**April 30, 2017**	**2016**	**2015**	**2014**
Total revenues	$ Nil Nil	$ Nil	$ Nil	$ Nil
Total G&A expenses	294,519	68,149	110,728	565,983
Net loss for the period	(294,519)	(68,149)	(140,125)	(565,983)
Basic and diluted loss per share (1)	(0.01)	(0.00)	(0.00)	(0.06)
Dividends	Nil	Nil	Nil	Nil
Balance Sheet Data:				
Total assets	262,078	2,050	1,240	31,958
Total long-term liabilities	Nil	Nil	Nil	Nil

(1) Basic and diluted loss per share has been calculated using the weighted average number of shares outstanding.

SELECTED QUARTERLY INFORMATION (UNAUDITED)

5.2 Quarterly Information

The summary of quarterly results for each of the eight most recently completed quarters ending at the end of the most recently completed financial year has been prepared in accordance with IFRS:

Summary of quarterly results	Q3 2017 $	Q2 2017 $	Q1 2017 $	Q4 2016 $	Q3 2016 $	Q2 2016 $	Q1 2016 $	Q4 2015 $	Q3 2015 $
Total assets	262,078	152,454	2,172	2,050	1,513	1,353	8,359	1,240	**40,8**
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Net loss and comprehensive loss	(294,519)	(292,097)	(18,063)	(33,147)	(7,979)	(23,445)	(3,578)	(38,876)	**(26,5**
Loss per share	**(0.01)**	**(0.01)**	**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**	**(0.01)**	**(0.**

5.3 Dividends

Subject to the *Securities Act* (British Columbia) (the "**Act**"), the directors may in their discretion from time to time declare and pay dividends wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or a combination of these.

The Company paid no dividends since its inception on April 30, 2007. The Company intends to retain any earnings to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

5.4 Foreign GAAP

The Company is not presenting financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis

6.1, 6.14 & 6.17 Annual MD&A for the Financial Year Ended July 31, 2016

This management discussion and analysis ("**MD&A**"), excerpted from the annual MD&A for the financial year ended July 31, 2016, includes a review of activities, results of options, financial condition and outlook for the Company for the year ended July 31, 2016, with comparisons to the year ended July 31, 2015. This MD&A is presented as of November 30, 2016 and should be read in conjunction with the Company's audited annual financial statements for the years ended July 31, 2016 and 2015 and the related notes thereto. The Company's audited financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All monetary amounts are in Canadian dollars unless otherwise stated. Additional information on the Company is available on SEDAR at www.sedar.com.

Forward-looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward- looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward- looking statement, whether as a result of new information, future events, or otherwise.

OVERALL PERFORMANCE

The Company is re-positioning for future growth. The Company has had no capital expenditures in the past 2 years since it had no exploration properties during the period in which to invest. For the year ended July 31, 2016, loss from continuing operations was $68,149 (2015 - $110,738) and income from discontinued operations of $nil (2015 - $250,863). The Company has taken major steps to reduce expenditures on accounting and audit expenditures, advertising and promotion, management fees and office costs.

RESULTS OF OPERATIONS

General and administrative expenses of $68,149 decreased for the year ended July 31, 2016 as compared to $110,738 in 2015. Significant expenses during the year ended July 31, 2016 were accounting and audit fees of $11,420 (2015 - $31,967), management fees of $21,400 (2015 - $23,600), professional fees of $12,000 (2015 - $19,492), transfer agent and filing fees of $10,272 (2015 - $18,160).

The general and administrative expenses decreased due to less corporate activity during the current period as compared to the same period in 2015.

FOURTH QUARTER RESULTS

For the three months ended July 31, 2016, the Company recorded a net loss of $33,147 ($nil loss per share) compared to a net loss of $38,876 ($nil loss per share) for the three months ended July 31, 2015. The loss is comprised of general and administrative expenses of $33,147 (2015 - $38,876) and income from discontinued operations of $nil (2015 - $250,863).

The general and administrative expenses for the three months ended July 31, 2016 decreased due to changes in corporate activity and as a result of various cost-cutting measures implemented by the Company as compared to the same period in 2015.

LIQUIDITY AND CAPITAL RESOURCES

During the year ended July 31, 2016, the Company's working capital deficit increased from $510,678 to $578,827. Cash has decreased from $213 to $11.

Net cash used in operations was $27,026 (2015 - $93,279) and net cash provided by financing activities was $26,824 (2015 - $100,000).

Net cash used in operations was primarily general operating expenses of $56,337(2015 - $100,678) and net change in non-operating working capital items of $29,311 (2015 - $7,399)

Financing activities was from proceeds on loans of $26,824 (2015 - $nil) and proceeds from share issuance of $nil (2015 - $100,000 from issuance of 2,000,000 common shares).

The entire Company's non-derivative financial liabilities are due within one year.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

During the year ended July 31, 2016, the Company incurred $21,400 (2015 - $23,600) for management fees to its directors.

As at July 31, 2016, trade payables due to officers and directors and companies controlled by them is $45,773 (2015 - $23,303).

As at July 31, 2016 loans payable to officers and directors and companies controlled by them $6,824 (2015 - $Nil).

The amounts are unsecured and do not bear interest. The loans are payable in demand.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations and Deficit included in its Audited Financial Statements for the years ended July 31, 2016 and 2015, and which are available on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA AS AT APRIL 30, 2017

	Number issued and outstanding	Exercise Price $	Expiry Date
Common shares	[34,939,021]	N/A	N/A
Common shares issuable on exercise:			
Warrants	400,000	0.10	January 13, 2018
Warrants	1,400,000	0.35	February 6, 2018
Warrants	400,000	0.35	June 5, 2018
Options	350,000	0.10	January 16, 2022
Options	840,000	0.17	January 17, 2022
Options	600,000	0.25	January 18, 2022
Options	200,000	0.25	January 27, 2022
Options	300,000	0.30	February 3, 2017
Options	500,000	0.37	February 3, 2017

Private Placements

The Company closed a non-brokered private placement of 400,000 units at a price of $0.05 per unit for gross proceeds of $20,000 on January 13, 2017. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.10 per share until January 13, 2018.

The Company closed a non-brokered private placement of 1,400,000 units at a price of $0.25 per unit for gross proceeds of $350,000 on February 6, 2017. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per share until February 6, 2018.

The Company closed a non-brokered private placement of 400,000 units at a price of $0.25 per unit for gross proceeds of $100,000 on June 5, 2017. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per share until June 5, 2018.

INVESTOR RELATIONS

The Issuer did not engage investor relations activities during the years ended July 31, 2016 and 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements for the year ended July 31, 2016.

FINANCIAL INSTRUMENTS

The Company classifies all financial instruments as either financial assets at fair value through profit or loss ("FVTPL"), held to maturity, loans and receivables, available-for-sale or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss. Instruments classified as FVTPL are measured at fair value, and changes are recognized in profit or loss.

The Company has designated its cash as FVTPL, which is measured at fair value. Accounts receivable are classified as loans and receivables, which is measured at fair value. Accounts payable and accrued liabilities, due to related parties and loan payable are classified as other financial liabilities, which are measured at amortized cost.

Credit risk

The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist solely of refundable sales taxes.

Liquidity risk

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at April 30, 2017, the Company's liabilities consisted of accounts payable and accrued liabilities of $46,872 (July 31, 2016 - $400,155), due to related parties of $950 (July 31, 2016 - $52,597) and loans payable of $nil (July 31, 2016 - $128,125). The Company's cash was $259,482 at April 30, 2017, (July 31, 2016 – $11) and are sufficient to pay these liabilities.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant funding.

Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk.

Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars and has dissolved its Mexican subsidiary.

Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

OUTLOOK

The Company currently has a working capital deficiency of $254,998 as at July 31, 2017 and will need to obtain additional equity financing to fund any further investment.

6.15 & 6.17 Interim MD&A for the 3rd Quarter Ended April 30, 2017

See Section 6.1 – 6.14 above, for a discussion of the Company's fourth quarter ended January 31, 2017.

The interim MD&A for the 3rd quarter ended April 30, 2017 is incorporated by reference herein and can be found by accessing the Company's public documents filed on SEDAR at www.sedar.com.

7. Market for Securities

The common shares of the Company are listed and posted for trading on the NEX Exchange under symbol "WST.H".

8. Capitalization

The Company's common shares are consolidated on a two-old-for-one-new share basis on March 3, 2014. There are no other material changes in the share capital of the Company. There are no other material changes in the share and loan capital of the Company that have not been previously disclosed.

9. Options to Purchase Securities

The following table summarizes the options, granted under the Company's stock option plan, outstanding as of July 31, 2017:

Group	No. of Options	Securities under Option	Grant Date	Expiry Date	Exercise Price per Common Share $	Market Value of the Common Shares on the Date of Grant
Director	350,000	350,000	January 16, 2017	January 16, 2022	0.10	0.10
Directors	200,000	200,000	January 27, 2017	January 27, 2022	0.25	0.25
Consultants	840,000	840,000	January 17, 2017	January 17, 2022	0.17	0.17
Consultants	600,000	600,000	January 18, 2017	January 18, 2017	0.25	0.25
Consultants	300,000	300,000	February 3, 2017	February 3, 2017	0.30	0.30
Consultants	500,000	500,000	February 6, 2017	February 6, 2017	0.37	0.37
TOTAL	**2,790,000**	**2,790,000**				

Description of the Stock Option Plan

Stock Option Plan

The Board is responsible for administering compensation policies related to the Company's executive management, including with respect to option-based awards. The

Company has in place, a 10% rolling share option plan dated for reference September 7, 2011 (the "**Plan**") pursuant to which the Board can grant stock options to directors, officers, employees, management and others who provide services to the Company. The Plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

The Board has not proceeded with a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Company's compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Plan is subject to the following restrictions:

(a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding Common Shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by Insiders and their Associates ("Disinterested Shareholder Approval");

(b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;

(c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding Common Shares calculated at the date of grant of the option;

(d) The aggregate number of Common Shares reserved for issuance under options granted to Insiders must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

(e) The number of Optioned Shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

(f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so; and

(g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

The following is a summary of the material terms of the Plan:

(a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;

(b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 year;

(c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;

(d) An Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;

(e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;

(f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;

(g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);

(h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and

(i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

10. Description of the Securities

10.1 General

There are no special rights or restrictions attached to the Company's common shares. The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each common share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the common shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding- up of the Company, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

The Company is also authorized to issue an unlimited number of preferred shares. There were no preferred shares issued and outstanding as at the date hereof.

10.2 Debt Securities

- 10.6

Not applicable.

10.7 Prior Sales

For the 12-month period prior to the date of this document, the following securities of the Company were sold:

Non-brokered private placement of 400,000 units at a price of $0.25 per unit for gross proceeds of $100,000 on June 5, 2017. Each unit consists of one common share of the Company and one common share purchase warrant of the Company with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per share until June 5, 2018.

Non-brokered private placement of 400,000 units at a price of $0.05 per unit for gross proceeds of $20,000 on January 13, 2017. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.10 per share until January 13, 2018.

Non-brokered private placement of 1,400,000 units at a price of $0.25 per unit for gross proceeds of $350,000 on February 3, 2017. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per share until February 6, 2018.

On July 19, 2016, the Company's common shares transition to the NEX Board of the TSX Venture Exchange because the Company has not maintained the requirements for a Tier 2 Company under the policies of the TSX Venture Exchange. The Company's common shares are listed for trading under symbol "WST.H" on the NEX Board.

The following table sets out the price ranges and volume traded or quoted on the NEX Exchange and the TSX Venture Exchange for the common shares of the Company for the 12-month period prior to the date of this Listing Application:

NEX Exchange	High	Low	Volume
July, 2017	0.25	0.12	4,001,427
June, 2017	0.33	.000	1,499,525
May 2017	0.35	0.215	3,794,859
April 2017	0.28	0.18	1,875,920
March 2017	0.295	0.19	2,304,378
February 2017	0.385	0.225	5,140,467
January 2017	0.28	0.025	9,223,218
December 2016	0.025	0.01	68,850
November 2016	0.01	0.01	1,500
October 2016	0.01	0.01	8,000
September 2016	0.01	0.005	2,500
August 2016	N/A	N/A	Nil
July 19 – 31, 2016	0.01	0.005	25,000

TSX Venture Exchange	High	Low	Volume
July 1 - 18, 2016	0.015	0.015	39,000

June 2016	**0.015**	**0.01**	**34,601**

11. Escrowed and Pooled Securities

11.1 Escrowed Securities

No common shares of the Company are subject to an Escrow Agreement.

12. Principal Shareholders

The Company is not aware of any person who beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to common shares.

13. Directors and Officers

13.1 - 13.2

The Articles of the Company provide that the number of directors should not be fewer than three directors. Each director holds office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. The Company's Board currently consists of four directors, of whom two can be defined as "unrelated director" or directors who are independent of management and are free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Issuer, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Issuer.

The following table provides the names of the directors and officers, municipalities of residence province and country, respective positions and offices held with the Company, their principal occupations for the past five years and the number and percentage of common shares owned, directly or indirectly, or over which control or direction is exercised, of voting securities of the Company, as of the date hereof:

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled(1)
Michael L. Young(2)(5)(6)(7) President, Chief Executive Officer and Director British Columbia, Canada	Chief Executive Officer of Westridge and Chief Financial Officer of Green 2 Blue Energy Corp. From 2011 to 2015, he was President, CFO & Director of DraftTeam Fantasy Sports Inc.	Director and Officer since January 16, 2017	[40,000]
Henry Chow Director	Chartered Professional Accountant and Partner at Saturna Group Chartered	Director since Sept 19, 2017	0

British Columbia, Canada	Professional Accountants LLP		
Christopher Cooper(3)(5)(6)(7) Chief Financial Officer and Director British Columbia, Canada	Chief Executive Officer and founder of Aroway Energy Inc.	Director since November 3, 2015 Officer since September 14, 2014	**[2,253,340]**
William Joseph Radvak(4)(5)(6)(7) Chairman, Director British Columbia	Mining Engineer, President, CEO and a director of both American Vanadium Corp. and Regency Gold Corp.	Since December 10, 2014	**[698,500]**

Notes:

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(2) Mr. Young currently holds 500,000 stock options exercisable until January 16, 2022, at an exercise price of $0.10. Mr. Young also currently holds 40,000 warrants exercisable until February 3, 2018 at a warrant exercise price of $0.35.

(3) Mr. Cooper currently holds 100,000 stock options exercisable until January 27, 2022, at an exercise price of $0.25.

(4) Mr. Radvak currently holds 100,000 stock options exercisable until January 27, 2022, at an exercise price of $0.25.

(5) Member of Audit Committee.

(6) Member of the Compensation Committee.

(7) Member of the Corporate Governance Committee

As of the date of this document, the directors and executive officers of the Company beneficially owned, directly or indirectly, as a group, 2,991,840 common shares of the Company representing approximately 8.4% of all outstanding voting securities of the Company.

13.2 Board Committees

The Company has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

The Audit Committee of the Company consists of the following members are:

Henry Chow	Independent Member
Michael Young	Non-Independent Member
William J. Radvak	Independent Member

The Compensation Committee and the Corporate Governance Committee of the Company consists of the following members:

Christopher Cooper

Michael Young

William J. Radvak

See table above.

13.3 Cease Trade Orders or Bankruptcies

Other than set out below, no current or proposed director is, or has been within the past 10 years, a director or executive officer of any other company that, while such person was acting in that capacity: (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after the current or proposed director ceased to be a director or executive officer of such company, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (c) within a year of the current or proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In September 2001, while William J. Radvak was a director of Response Biomedical Corp., a TSX/OTCQB publicly listed medical device company ("**Response**"), Response experienced difficulty in raising funds as the result of (1) an unexpected delay in the receipt of market clearance from the FDA for its RAMP Reader and Myoglobin Test, and (2) unfavorable financial market conditions. On September 17, 2001, Response applied for creditor protection under the Bankruptcy and Insolvency Act (Canada). Following positive discussions with the FDA, Response arranged bridge financing in the form of secured loans from three of its directors, of which Mr. Radvak was one, and one of Response's shareholders. On October 23, 2001, a proposal to settle outstanding debts was made to its creditors. The proposal was voted on and accepted unanimously by voting creditors on November 5, 2001 and subsequently approved by the British Columbia Supreme Court. Following the receipt of FDA clearance in January 2002 and having made a final settlement payment to creditors on March 13, 2002, Response was discharged from creditor protection.

In August 2008, while Chris Cooper was a director of Northern Sun Exploration Company Inc. ("**Northern Sun**"), Northern Sun entered into insolvency protection under the bankruptcy and insolvency act. Northern Sun had $2.65 million owing to Quest Capital in the form of a secured loan and approximately $2 million owing to its trade creditors from its failed exploration program. Northern Sun made a proposal to settle its outstanding debts with its creditors, which was accepted by the creditors. Northern Sun has now received a "Certificate of Full Performance of Proposal" and did not go bankrupt. Chris Cooper remains a director of Northern Sun.

13.4 Penalties or Sanctions

To the knowledge of the Company, no director, officer or promoter of the Company, or a security holder anticipated to hold sufficient securities of the Company to affect materially the control of the Company is, or within 10 years before the date of this document, has been, a director or officer of any other Issuer that, while that person was acting in that capacity, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.5 Personal Bankruptcies

No director or officer of the Issuer is, or has, within the 10 years prior to the date of this document, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

13.6 Conflicts of Interest

Certain of the directors and officers of the Issuer are also directors and officers of other natural resource companies. The directors of the Company are bound by the provisions of the *Business Corporations Act* (British Columbia) to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

13.7 Management

Michael L. Young – President, Chief Executive Officer and Director, Age 54

Mr. Young has over 20 years of extensive business experience in all facets of corporate development, senior management, sales, marketing, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Young is a Graduate of the Certified Financial Planning (CFP) Program and has been Chief Financial Officer and a director of Green 2 Blue Energy Corp. since August 2015, a renewable energy company focused on low-cost wood pellet production through the integration of biomass gasification technology. From 2011 to 2015, he was President, CFO & Director of DraftTeam Fantasy Sports Inc. a digital entertainment company focused on daily fantasy sports and social gaming. The Company was acquired by Fantasy Aces Daily Fantasy Sports Corp. in 2015 a TSX.V listed company.

Mr. Young commits **65%** of his time based on a 50 hour work week to the business of the Company. Mr. Young entered into an employment agreement and non-competition agreement with the Corporation and is considered to be an employee of the Corporation as at the date of this Listing Statement. My company Gold Medal Performance Corp. entered into a consulting agreement with the Company on January 16, 2017 for $10,000 plus GST per month.

Christopher Cooper – Chief Financial Officer and Director, Age 47

Mr. Cooper has over 17 years' experience in both domestic and international oil and gas management and finance. Currently, Mr. Cooper is the President, Chief Executive Officer and founder of Aroway Energy Inc., a junior oil and gas issuer. Mr. Cooper received or of Business Administration from Hofstra University and his Master's in Business Administration from Dowling College, both in New York State. Our Board has determined that Mr. Cooper should serve on the Board as director of our company based on his extensive career in operating publicly traded companies and raising capital as well as his academic accreditations.

Mr. Cooper commits **50%** of his time to the business of the Company.

14. Capitalization

14.1 Issued Capital

As at ●	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued	% of Issued
Public Float				
Total outstanding (A)	35,499,021	40,489,021	100.00%	100.00%

Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	2,991,840	3,811,840	8.4%	9.4%
Total Public Float (A-B)	32,607,181	36,677,181	92%	91%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0	0
Total Tradable Float (A-C)	35,499,021	40,489,021	100%	100%

Public Security holders (Registered)

The persons enumerated in (B) of the *Issued Capital* table above are not included in the following table.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 - 99 securities	1	50
100 – 499 securities	3	869
500 – 999 securities	5	3,150
1,000 – 1,999 securities	16	20,500
2,000 – 2,999 securities	19	44,000
3,000 – 3,999 securities	10	32,950
4,000 – 4,999 securities	3	16,250
5,000 or more securities	164	16,517,634
Total	223	16,635,403

Non-Public Security holders (Registered)

For the purposes of this report, “non-public security holders” are persons enumerated in under (B) in the

Issued Capital table above.

Class of Security		
1 - 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	3	2,991,840
Total	3	2,991,840

14.2 Convertible/Exchangeable Securities

Description of Security	Date of Expiry	Exercise Price $	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/ exercise
Options	January 16, 2022	$0.10	350,000	350,000
	January 17, 2022	$0.17	850,000	850,000
	January 18, 2022	$0.25	600,000	600,000
	January 27, 2022	$0.25	200,000	200,000
Warrants	January 13, 2018	$0.10	400,000	400,000
	February 6, 2018	$0.35	1,400,000	1,400,000
	June 5, 2018	$0.35	400,000	400,000

14.3 Other Listed Securities

There are no other listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

15.1 Statement of Executive Compensation

In this section "**Named Executive Officer**" means (a) the Chief Executive Officer (or an individual who acted in a similar capacity) (the "**CEO**"), (b) the Chief Financial Officer (or an individual who acted in a similar capacity) (the "**CFO**"), (c) each of the Company's three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed $150,000), and (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

The Named Executive Officers (the "**NEO**s") of the Company for the purposes of the below information are: Michael L. Young, President and Chief Executive Officer, Christopher Cooper, Chief Financial Officer and director and former President and Chief Executive Officer, Andrew R. Cheshire, former President and Chief Executive Officer, Daryn Gordon, former Chief Financial Officer and Corporate Secretary and Mike K. Veldhuis, former Corporate Secretary and director.

The NEOs during financial year ended July 31, 2015 were: Christopher Cooper, President, CEO and director, Andrew R. Cheshire, President and Chief Executive Officer and director and Daryn Gordon, Chief Financial Officer and Mike K. Velduis, Corporate Secretary and director.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Discussion and Analysis

The current members of the Company's Compensation Committee are: Michael L. Young (Chair), William Radvak and Christopher Cooper.

The Company's compensation policies and programs are designed to be competitive with similar mining companies and to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee's role and philosophy is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

In addition to industry comparables, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The function of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Compensation Committee. The Committee has been empowered to review the compensation levels of the executive officers of the Company and to report thereon to the Board to review the strategic objectives of the share option plan and other stock-based compensation plans of the Company and to set stock based compensation; and to consider any other matters which, in the Committee's judgment, should be taken into account in reaching the recommendation to the Board concerning the compensation levels of the Company's executive officers.

The Compensation Committee has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

Base Salary or Consulting Fees

Base salary ranges for executive officers were initially determined upon a review of companies within the mining industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

(a) The particular responsibilities related to the position;

(b) Salaries paid by other companies in the mining industry which were similar in size as the Company;

(c) The experience level of the executive officer;

(d) The amount of time and commitment which the executive officer devotes to the Company; and

(e) The executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Chief Executive Officer. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasises the provisions of option grants to maintain executive motivation.

Actions, Decisions or Policy Changes
Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

Risks Associated with the Company's Compensation Practices

At the time of preparation of this Information Circular, the Company's directors had not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

Benefits and Perquisites
The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors
The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's Stock Option Plan is the only equity security element awarded by the Company to its executive officers and directors (see – "Particulars of Matters to Be Acted Upon – Continuation of 10% rolling share option plan" for a description of the Company's share option plan).

Option-Based Awards

The Company has a share option plan in place dated for reference September 7, 2011, wherein an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees. The share option plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the board of directors based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the board of directors. The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. Refer to PARTICULARS OF MATTERS TO BE ACTED UPON – Continuation of 10% rolling share option plan" below).

Summary Compensation Table

The compensation paid to the NEOs during the Company's three most recently completed financial years of July 31, 2016, July 31, 2015 and July 31, 2014 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary ($)	Option-based awards ($)	Non-equity incentive plan compensation: Annual incentive plans ($)	Non-equity incentive plan compensation: Long-term incentive plans ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Michael L. Young[(1)] President, CEO and director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Cooper[(2)] CFO and director /former President and CEO	2016	28,900	Nil	Nil	Nil	Nil	Nil	28,900
	2015	14,600	Nil	Nil	Nil	Nil	Nil	14,600
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew R. Cheshire[(3)] former President and CEO and former director and CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	26,500	Nil	Nil	Nil	Nil	Nil	26,500
Daryn Gordon[(4)] former CFO and Corporate Secretary	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	11,000	Nil	Nil	Nil	Nil	Nil	11,000
Mike K. Veldhuis[(5)] former Corporate Secretary and former director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Young was appointed a director, and the President and Chief Executive Officer of the Company on January 20, 2017.

(2) Mr. Cheshire served as President and CEO from January 21, 2013 to November 3, 2015 and resigned as officer and director on November 3, 2015. Mr. Cheshire's salary consisted of consulting fees paid to Cheshire Consulting Corp., a private company owned and controlled by Mr. Cheshire.

(3) Mr. Cooper served as President from June 14, 2007 to August 23, 2011 and served as CEO from August 12, 2008 to September 27, 2011. Mr. Cooper was appointed Chief Financial Officer of the Company on September 14, 2014. Mr. Cooper also served as President and Chief Executive Officer from November 3, 2015 to January 20, 2017.

(4) Daryn Gordon served as Chief Financial Officer from January 21, 2013 to September 19, 2014 and served as Corporate Secretary from December 6, 2013 to September 19, 2014.

(5) Mike K. Veldhuis served as Corporate Secretary of the Company from September 14, 2014 to December 20, 2014. Mr. Veldhuis resigned as a director of the Company on December 10, 2014.

Incentive Plan Awards

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2016

There were no NEO outstanding option-based awards during the year ended July 31, 2016. The Company did not grant any share-based awards during financial year ended July 31, 2016.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2015

There were no NEO outstanding option-based awards during the year ended July 31, 2015. The Company did not grant any share-based awards during financial year ended July 31, 2015.

Incentive Plan Awards - Value Vested Or Earned During the Year Ended July 31, 2016

There were no NEO value vested or earned options or share-based awards under incentive plans during the year ended July 31, 2016. The Company did not grant any share-based awards during financial year ended July 31, 2016.

Incentive Plan Awards - Value Vested Or Earned During the Year Ended July 31, 2015

here were no NEO value vested or earned options or share-based awards under incentive plans during the year ended July 31, 2015. The Company did not grant any share-based awards during financial year ended July 31, 2015.

Termination and Change of Control Benefits

As of July 31, 2016, the Company had no agreements with any of its NEOs concerning severance payments of cash or equity compensation as a result of termination of their arrangement with the Company or as a result of a change of control of the Company.

Director Compensation

No directors receive monthly compensation and no director receives compensation for attending Board meetings or committee meetings.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2016

There were no option-based or share-based awards outstanding to a director who was not an NEO of the Company during financial year ended July 31, 2016. The Company did not grant share-based awards during financial year ended July 31, 2016.

Outstanding Share-Based Awards and Option-Based Awards Year Ended July 31, 2015

There were no option-based or share-based awards outstanding to a director who was not an NEO of the Company during financial year ended July 31, 2015. The Company did not grant share-based awards during financial year ended July 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2016

There were no option based awards vested or earned during financial year ended July 31, 2016 to any director who was not an NEO during financial year ended July 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year Ended July 31, 2015

There were no option based awards vested or earned during financial year ended July 31, 2015 to any director who was not an NEO during financial year ended July 31, 2015.

Securities Authorized for Issuance

See heading "**PARTICULARS OF MATTERS TO BE ACTED UPON** – Continuation of the Share Option Plan" below for disclosure on the only equity compensation plan which the Company has in place at the date hereof.

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2016.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	**Weighted-average exercise price of outstanding options**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders - (the Share Plan)	N/A	N/A	2,363,902
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A		2,363,902

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2015.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	**Weighted-average exercise price of outstanding options**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders - (the Share Plan)	N/A	N/A	2,363,902
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A		2,363,902

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at the financial year ended July 31, 2016, or is currently indebted to the Company.

16.2 Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. Risk Factors

17.1 Business Risks

Westridge is exposed to the following risks:

(a) Credit risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable sales tax.

(b) Liquidity risk Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. As at April 30, 2017, the Company's liabilities consisted of accounts payable and accrued liabilities of $46,872 (July 31, 2016 - $400,155), due to related parties of $950 (July 31, 2016 - $52,597) and loans payable $nil (July 31, 2016 - $128,125). The Company's cash was $259,482 at April 30, 2017, (July 31, 2016 – $11) and are sufficient to pay these liabilities.

(c) Market risk Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars and has dissolved its Mexican subsidiary.

(ii) Interest rate risk Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk.

(iii) Commodity price risk The Company does not have exposure to commodity price risks

17.2 Resource Exploration Risk Factors

As resource exploration is a speculative business, which is characterized by a number of significant risks including, among other things, unprofitable efforts resulting from the failure to discover mineral deposits. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. To date, the Company's property is currently at the exploration stage and is without a known body of commercial ore. As such prospective purchasers of the Company's common shares should consider carefully, among other things, that the Company's exploration of its property involves significant risks.

(i) *Exploration Risks*

Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of mineralization. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, metallurgical processes to extract the metal from the ore and, in the case of new properties, to build the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for further expansion can be obtained on a timely basis. The Company's project is currently in exploration stages. Estimates and mineral projects can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors and unforeseen technical difficulties, as well as unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results.

(ii) *Lack of Cash Flow and Non-Availability of Additional Funds*

The Company's property and mineral interest are currently being explored or assessed for commercial production and as a result, the Company has no source of operating cash flow. The Company has limited financial resources and there is no assurance that if additional funding were needed, that it would be available to the Company on terms and conditions acceptable to it. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in its current property.

The exploration of any ore deposits found on the Company's resource properties, depends upon the Company's ability to obtain financing through debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to obtain additional financing on a timely basis could cause the Company to forfeit all or parts of its interests in some or all of its properties or joint ventures and reduce or terminate its operations.

The Company has no history of earnings or cash flow from its operations. As a result there can be no assurance that the Company will be able to develop its property profitably or that its activities will generate positive cash flow. The Company has not declared or paid dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its common shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any property.

(iii) *Operating Hazards and Risks*

Resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration of metals, such as unusual or unexpected formations, cave-ins, pollution, all of which could result in work stoppages, damage to property, and possible environmental damage.

(iv) *Title Risks*

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's resource property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral property, therefore, in accordance with the laws of the jurisdiction in which such properties are situated their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands. There is a risk and no guarantee the Company will acquire the property.

(v) *Conflicts of Interest*

Certain of the directors of the Company are directors of other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict, will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participating in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company. In determining whether the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest. The Company is not aware of the existence of any conflict of interest as described herein.

(vi) *Competition and Agreements with Other Parties*

The mineral resources industry is intensely competitive and the Company competes with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in the Company's sphere of operations. As a result of this competition, the Company's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected.

(vii) *Fluctuating Mineral Prices*

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. There is no assurance that commodity prices will remain at current levels; significant price movements over short periods of time may be affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates and global or regional consumption patterns, and speculative activities. The effect of these factors on the price of minerals and therefore the economic viability of any of the Company's exploration projects cannot accurately be predicted. As the Company is in the exploration stage, the above factors have had no material impact on operations or income.

(viii) *Environmental Regulations, Permits and Licenses*

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

(ix) *Compliance with Applicable Laws and Regulations*

The current or future operations of the Company, including development activities and commencement of production on its property, require permits from various, federal, provincial or territorial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Company obtain permits from various governmental agencies. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

17.3 General Risk Factors

- *Dilution:* Since the Company does not generate any revenues, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations, acquisitions and investments will continue to be financed primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, which may result in dilution to existing shareholders.

- Finding mineral reserves on an economical basis;

- Uncertainties related to estimating the Company's reserves;
- Financial risks including access to debt or equity markets which the Company is dependent upon in order to meet obligations and liabilities as they fall due;
- Technical problems which could lead to unsuccessful drilling programs and environmental damage;
- Obtaining timely regulatory approvals;
- Third party related operational risks including the ability to obtain access to certain properties, access to third party processing facilities, railway and other transportation infrastructure;
- Adverse factors including climate, geographical and weather conditions and labour disputes;
- Timing of future debt and other obligations;
- Regulatory legislation and policies, including the fulfilment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- Changes to taxation policies, laws and interpretations thereof; and,
- Obtaining comprehensive and appropriate insurance coverage at reasonable rates;

18. Promoters

18.1 Promoters

Not Applicable

18.2 Corporate Cease Trade Orders or Bankruptcies

(1) Except as set forth below in 18.2(3) below, no promoter, while acting in the capacity as director, chief executive officer or chief financial officer of any person or company, within 10 years before the date of this document, was:

(a) subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

(2) **For the purposes of 18.2(1) above, "order" means:**

(a) a cease trade order,

(b) an order similar to a cease trade order, or

(c) an order that denied the relevant person or company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days;

(3) **(a) – (b)**

No promoter referred to in 18.1(1) above, within 10 years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

(4) **Not applicable Legal Proceedings**

19. Legal Proceedings

The Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

19.1 Regulatory Actions

Not applicable.

20. Interest of Management and Others in Material Transactions

20.1 Interest of Management and Others in Material Transactions

No director or executive officer of the Company or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Company's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of Company within the three years preceding the date of this document.

21. Auditors, Transfer Agents and Registrars

21.0 Auditor

K.R. Margetson Ltd.

210-905 West Pender Street

Vancouver, British Columbia V6C 1L6

21.1 Transfer Agent and Registrar

Computershare Investor Services Inc.

510 Burrard Street, 3rd Floor

Vancouver, British Columbia, Canada V6C 3B9

22. Material Contracts

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Company within two years prior to the date hereof and which are currently in effect:

Contract	Details	Date
Option Agreement with Intact Gold	**Option Agreement to acquire 100% right, title and interest in and to hose certain mineral claims comprising the Black Jack Gold Property. As detailed above in section 4.3(1)(c).**	**May 5, 2017**

23. Interest of Experts

No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Issuer.

24. Other Material Facts

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Company.

25. Financial Statements

The following financial statements are available on SEDAR at www.sedar.com and are incorporated herein by reference:

(i) Annual audited financial statements of the Company including the auditor's report from K.R. Margetson Ltd., Chartered Professional Accountants, for the financial year ended July 31, 2016, for the financial year ended July 31, 2015 and for the financial year ended July 31, 2014; and

(ii) Interim unaudited financial statements of the Company for the three and six months ended January 31, 2017 (prepared by management).

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **WESTRIDGE RESOURCES INC.,** hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **WESTRIDGE RESOURCES INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 28th day of September, 2017.

Michael L. Young Chief Executive Officer and Director	Henry Chow Director
Christopher Cooper Chief Financial Officer Director	William J. Radvak Director

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **WESTRIDGE RESOURCES INC.,** hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **WESTRIDGE RESOURCES INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 28th day of September, 2017.

Michael L. Young Chief Executive Officer and Director	Henry Chow Director
Christopher Cooper Chief Financial Officer Director	William J. Radvak Director

Financial Statements of

WESTRIDGE RESOURCES INC.

July 31, 2016

Expressed in Canadian Dollars

K. R. MARGETSON LTD. ***Chartered Professional Accountants***

#210, 905 West Pender Street
Vancouver BC V6C 1L6
Canada

Tel: 604.641.4450
Fax: 1.855.603.3228

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Westridge Resources Inc.:

I have audited the accompanying financial statements of Westridge Resources Inc., which comprise the statements of financial position as at July 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in shareholders' deficiency and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Westridge Resources Inc. as at July 31, 2015 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, I draw attention to Note 2 in the financial statements, which describes matters and conditions that indicated the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

Chartered Professional Accountant

Vancouver, Canada
November 30, 2016

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

WESTRIDGE RESOURCES INC.
Statements of Financial Position
Expressed in Canadian dollars

	Note	July 31, 2016	July 31, 2015
		$	$
ASSETS			
Current			
Cash		11	213
Receivables	5	2,039	1,027
Total current assets		2,050	1,240
Total assets		2,050	1,240
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	400,155	392,302
Due to related parties	9	52,597	23,303
Loans payable	7	128,125	96,313
Total current liabilities		580,877	511,918
SHAREHOLDERS' DEFICIENCY			
Share capital	10	4,363,325	4,363,325
Reserves		879,921	879,921
Deficit		(5,822,073)	(5,753,924)
Total shareholders' deficiency		(578,827)	(510,678)
Total liabilities and shareholders' deficiency		2,050	1,240

Nature and continuance of operations (Note 1)

On behalf of the Board of Directors:

"Chris Cooper" Director *"Brad Nichol"* Director

WESTRIDGE RESOURCES INC.
Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Note	Year ended July 31, 2016	Year ended July 31, 2015
		$	$
Expenses			
Accounting and audit		11,420	31,967
Finance charges		11,812	11,181
Management fees	9	21,400	23,600
Office and miscellaneous		1,245	6,328
Professional fees		12,000	19,492
Transfer agent and filing fees		10,272	18,160
Net Loss from Continuing operations		(68,149)	(110,728)
Income from discontinued operations	8	-	250,863
Net income (loss) and comprehensive income (loss) for the year		**(68,149)**	**140,125**
Basic and diluted loss per common share – continuing operations		(0.00)	(0.00)
Basic and diluted income (loss) per common share – discontinued operations		(0.00)	0.01
Weighted average number of common shares outstanding, basic and diluted		23,639,021	23,162,308

WESTRIDGE RESOURCES INC.
Statement of Changes in Deficiency
Expressed in Canadian dollars

	Number of Common shares	Amount	Reserves	Deficit	Deficiency
		$	$	$	$
July 31, 2014	21,639,021	4,263,325	879,921	(5,894,049)	(750,803)
Shares issuance	2,000,000	100,000	-	-	100,000
Income for the year	-	-	-	140,125	140,125
July 31, 2015	23,639,021	4,363,325	879,921	(5,753,924)	(510,678)
Loss for the year	-	-	-	(68,149)	(68,149)
July 31, 2016	23,639,021	4,363,325	879,921	(5,822,073)	(578,827)

WESTRIDGE RESOURCES INC.
Statement of Cash Flows
Expressed in Canadian dollars

	Note	July 31 2016	July 31 2015
		$	$
Cash flow provided by (used in)			
Operating activities			
Net loss from continuing operations		(68,149)	(110,728)
Adjustment for non-cash items			
Accrued interest		11,812	10,050
Changes in non-operating working capital items:			
Receivables		(1,012)	27,274
Accounts payable and accrued liabilities - unrelated		7,853	(19,875)
Accounts payable and accrued liabilities - related		22,470	-
Net cash used in operations		(27,026)	(93,279)
Financing activities			
Proceeds from loans - unrelated		20,000	-
Proceeds from loans - related		6,824	-
Proceeds received from shares issuance		-	100,000
Net cash provided in financing activities		26,824	100,000
Increase (decrease) in cash in the year – continuing operations		(202)	6,721
Decrease in cash in the year – discontinued operations	8	-	(10,165)
Increase (decrease) in cash in the year		(202)	(3,444)
Cash, beginning of year		213	3,657
Cash, end of year		11	213

1. Nature and continuance of operations

Westridge Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on July 31, 2007. The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. The Company traded on the TSX Venture Exchange, but has been relegated to the NEX Exchange and trades under the stock symbol WST. The head office, principal and registered address and records office of the Company are located at Suite 250 - 900 Howe Street, Vancouver, B.C V6Z 2M4.

The consolidated financial statements were authorized for issue on November 30, 2016 by the Board of Directors of the Company.

2. Basis of preparation

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at July 31, 2016, the Company had not advanced any exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuation as a going concern is dependent upon the successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy during the quarter ending July 31, 2016. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at July 31, 2016, the Company had cash and cash equivalents of $11 (2015 - $213), a net working capital deficiency of $578,827 (2015 - ($510,678)) and an accumulated deficit of $5,822,073 (2015 - $5,753,924) since inception and expects to incur further losses.

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below.

These accounting policies have been used throughout all periods presented in the financial statements.

(a) Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments

Share-based payments are determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant. The Black-Scholes Option Pricing Model utilizes assumptions such as expected price volatility, the expected life of the option and the number of options that may be forfeited. Changes in these input assumptions may affect the fair value estimate.

Deferred taxes

The Company recognizes the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

(b) Consolidation

During the fiscal year ended July 31, 2015, the Company dissolved its 100% wholly owned Mexican subsidiary, Minera Westridge S.A. de C.V., and accordingly, the 2016 and 2015 financial statements are not consolidated.

3. Significant accounting policies

(c) Non-currents assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured at the lower of their carrying amount and fair value less costs to sell, with impairments recognized in the statements of income in the period measured. Non-current assets or disposal groups held for sale are presented in current assets and liabilities within the balance sheet. Assets or disposal groups held for sale are not depleted, depreciated or amortized. Liabilities associated with assets held for sale are presented separately from the Company's other liabilities.

Assets or disposal groups are classified as held-for-sale when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. For the sale to be highly probable management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.

A discontinued operation is a component of the Company that has either been disposed of or that is classified as held for sale. A component of the Company is comprised of operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Net earnings of a discontinued operation and any gain or loss on disposal are combined and presented as net earnings from discontinued operations in the statements of earnings (loss) and comprehensive earnings (loss).

(d) Foreign currency translation

The functional currency of the Company is the Canadian dollar, and the financial statements are presented in Canadian dollars.

<u>Transactions and balances</u>

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

3. Significant accounting policies

(e) Convertible debenture

The convertible debenture was initially recorded at fair value and subsequently measured at amortized cost. The convertible debenture was allocated between the debt and equity components using the residual method at the date of issuance and is recorded net of transaction costs. The debt component is accreted to the face value using the effective interest method, with the resulting charge recorded as accretion on convertible debenture, which is included in interest on convertible loan in the statement of operations.

In instances where the Company issues equity instruments to settle all or a part of the outstanding debt, the equity instruments are treated as consideration paid and are measured initially at fair value of the equity instruments issued, or when not reliably measurable, at the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss. If the financial liability is not fully extinguished, and terms related to the remaining portion have been modified, the Company allocates the consideration paid between the extinguished portion and the modified portion.

(f) Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using a Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Financial instruments

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held to maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

3. Significant accounting policies

Loans and receivables

Loans and receivables are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale ("AFS")

Non derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

Other financial liabilities

An obligation is initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost, using the effective interest method.

The Company has classified its financial instruments as follows:

(a) Cash is classified as FVTPL.

(b) Accounts receivable are classified as loans and receivables.

(c) Accounts payable and accrued liabilities, due to related parties and loans payable are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the 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 - quoted prices in active markets for identical assets or liabilities.

Level 2 - 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. from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

Cash is measured at fair value using level 1 inputs.

Comprehensive income (loss)

Comprehensive income (loss) is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources, such as any unrealized gains and losses in financial assets classified as AFS. The Company had no other comprehensive income (loss) transactions during the years ended July 31, 2016 and 2015.

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 assets, the estimated future cash flows of the investments have been impacted.

3. Significant accounting policies

For all financial assets objective evidence of impairment could include:

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

For certain categories of financial assets, such as accounts receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. 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 profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(h) Income taxes

Current tax:

Current tax assets and liabilities for the current period 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 reporting date, in the countries where the Company operates and generates taxable income.

Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting policies

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options granted.

(j) Contingencies

Contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(k) Related party transactions

Parties are considered 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 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.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction/development or exploration of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(m) Provisions

Liabilities 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. A provision is a liability of uncertain timing or amount.

Provisions are measured as the expenditure expected to be required to settle the obligation at the reporting date. In cases where it is determined that the effects of the time value of money are significant, the 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 the current market assessment of the time value of money and the risks specific to the obligation.

(n) Debt modifications and extinguishments

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

(Expressed in Canadian dollars)

4. Adoption of New Accounting Pronouncements and Recent Developments

The following new standards were adopted during the year ended July 31, 2016:

IFRS 7 – Financial Instruments: Disclosure applies to additional disclosures required on transition from IAS 39 to IFRS 9. IFRS 7 was effective January 1, 2015 and had no significant impact on the Company's financial statements.

The following new standards, and amendments to standards and interpretations, are not yet effective for the current period and have not been applied in preparing these financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below

i) *IFRS 9 – Financial Instruments: Classification and Measurement*

Applies to classification and measurement of financial assets and liabilities as well as derecognition of financial instruments. IFRS 9 will replace IAS 39. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

ii) *IFRS 15 – Revenue from Contracts with Customers*

Supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

iii)*IFRS 16 - Leases*

Will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019, but earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

5. Receivables

	July 31, 2016	July 31, 2015
Recoverable sales taxes	$ 2,039	$ 1,027

(Expressed in Canadian dollars)

6. Accounts payable and accrued liabilities

As at July 31		2016		2015
Accounts payable	$	390,655	$	385,302
Accrued liabilities		9,500		7,000
	$	400,155	$	392,302

7. Loans Payable

Loans payable to unrelated parties at July 31, 2016 was $128,125 (2015 - $96,313). The loans consist of two separate loans the details of which are as follows:

a) Demand loan of $67,000, past due since August 20, 2013; bearing interest at 15% per annum. Total interest and principal owing as at July 31, 2016 - $106,325 (2015 - $96,313). The loan is in default.

b) Demand loan of $20,000, bearing interest at 1% per month. Total interest and principal outstanding as at July 31, 2016 - $21,800 (2015 - $Nil).

8. Discontinued operations

During the year ended July 31, 2015, the Company dissolved its wholly-owned Mexican subsidiary Minera Westridge S.A. de C.V.

a) Analysis of the net income (loss) from the discontinued operations

For the year ended July 31		2016		2015
General and administrative expenses	$	-	$	(511,871)
Gain on debt eliminated on dissolution		-		261,018
Net income from discontinued operations	$	-	$	250,853

b) Analysis of the net cash outflow from the discontinued operations

For the year ended July 31		2016		2015
Net income from discontinued operations	$	-	$	250,853
Item not involving cash				
Gain on debt eliminated on dissolution		-		(261,018)
Net cash outflow from discontinued operations	$	-	$	(10,165)

(Expressed in Canadian dollars)

9. Related party transactions and balances

The Company incurred key management compensation as follows:

Year ended July 31	2016	2015
Management fees accrued or paid to current CEO, CFO and director	$ 21,400	$ 14,600
Management fees accrued or paid to a director	-	9,000
Total	$ 21,400	$ 23,600

As at July 31, 2016, trade payables due to officers and directors and companies controlled by them is $45,773 (2015 - $36,003).

As at July 31, 2016 loans payable to officers and directors and companies controlled by them is $6,824 (2016 - $Nil).

The amounts are unsecured and do not bear interest. The loans are payable on demand.

10. Share capital and reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value.

(b) Issued

As at July 31, 2016 and 2015, there are 23,639,021 issued and outstanding common shares (2014 - 110,221,582).

(c) Share transactions

During the year ended July 31, 2016, there were no share transactions.

On October 15, 2014, the Company issued 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000.

(d) Share purchase warrants

	July 31, 2016		**July 31, 2015**	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of the year	444,900	$ 0.70	444,900	$ 0.70
Warrants expired	(444,900)	$ (0.70)	-	$ 0.70
Warrants outstanding, end of the year	-	$ -	444,900	$ 0.70

10. Share capital and reserves (cont'd

(e) Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

The Company had no stock options outstanding as at July 31, 2016.

(f) Loss per share

The calculation of basic and diluted loss per share for the quarter ended July 31, 2016 was based on the weighted average number of common shares outstanding of 23,639,021 (2015 - 23,162,308).

11. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist solely of refundable sales taxes.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at January 31, 2016, the Company's liabilities consisted of accounts payable and accrued liabilities of $400,155 (2015 - $392,302), due to related parties of $52,597 (2015 - $23,303) and loans payable of $128,125 (2015 - $96,313). The Company's cash and cash equivalents of $11 at July 31, 2016, are not sufficient to pay these liabilities.

11. Financial risk management (cont'd)

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant funding.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars and has dissolved its Mexican subsidiary.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk.

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

12. Capital disclosures

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:

(a) to safeguard the Company's ability to continue as a going concern and provide returns for shareholders; and

(b) to facilitate the acquisition or development of projects in Canada consistent with the growth strategy of the Company.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company considers convertible debentures net of cash, shareholder loans; and shareholders' equity (deficiency) to be capital. The Company does not have any externally imposed requirements on its capital.

There have been no changes in the Company's approach to capital management from the previous years.

(Expressed in Canadian dollars)

13. Segmented information

At July 31, 2016, the Company operates in only one reporting segment, Canada. Discontinued operations consisted of operations conducted by the Company's wholly-owned subsidiary (Note 8).

14. Income taxes

Income tax expense varies from the amount that would be computed by applying the expected basic federal and provincial income tax rates for Canada at July 31, 2016 at 26% (2015 –26.0%) to income before income taxes.

		July 31, 2016		**July 31, 2015**
Net income (loss) for the year	$	(68,149)	$	140,125
Expected income (recovery) at statutory rates	$	(18,000)	$	36,000
Non-deductible expenditures		-		(68,000)
Change in statutory rates, foreign tax and other		2,000		7,000
Change in unrecognized deductible temporary differences		16,000		25,000
Deferred income tax expense	$	-	$	-

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

		July 31, 2016		**July 31, 2015**
Deferred tax assets:				
Share issue costs	$	1,000	$	6,000
Non-capital losses available for future periods		677,000		656,000
		678,000		662,000
Unrecognized deferred tax assets		(678,000)		(662,000)
	$	-	$	-

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		July 31, 2016	**Expiry dates**		**July 31, 2015**	**Expiry dates**
Share issue costs	$	5,000	2017	$	25,000	2016 - 2017
Non-capital losses available for future periods		2,611,000	2017 - 2036		2,523,000	2016 - 2035
	$	2,616,000		$	2,548,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. Comparative financial statement presentation

Certain financial statements items in 2015 have been reclassified in order to conform to the presentation used in 2016.

Financial Statements of

WESTRIDGE RESOURCES INC.

For the years ended July 31, 2015 and 2014

Expressed in Canadian Dollars

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Westridge Resources Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of directors who are neither management nor employees of Westridge Resources Inc. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of Westridge Resources Inc.'s external auditors.

K. R. Margetson Ltd. Chartered Professional Accountants, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

November 27, 2015

"Chris Cooper"
President and CEO – Chris Cooper

K. R. MARGETSON LTD. ***Chartered Professional Accountants***

#210, 905 West Pender Street
Vancouver BC V6C 1L6
Canada

Tel: 604.641.4450
Fax: 1.855.603.3228

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Westridge Resources Inc.:

We have audited the accompanying financial statements of Westridge Resources Inc., which comprise the statement of financial position as at July 31, 2015 and the statement of loss and comprehensive loss, changes in shareholders' deficiency and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Westridge Resources Inc. as at July 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements, which describes matters and conditions that indicated the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

Other matter

The financial statements of Westridge Resources Inc. for the year ended July 31, 2014, were audited by another auditor, James Stafford, Inc. who expressed an unqualified opinion on those statements on November 27, 2014.

Chartered Professional Accountants

Vancouver, Canada
November 30, 2015

WESTRIDGE RESOURCES INC.

Statements of Financial Position
Stated In Canadian Dollars

	Notes	July 31, 2015	July 31, 2014
Assets			
Current assets:			
Cash		$ 213	$ 3,657
Accounts receivable	5	1,027	28,301
Total Current Assets		1,240	31,958
Total Assets		**$ 1,240**	**$ 31,958**
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Accounts payable and accrued liabilities	6	$ 415,605	$ 435,480
Loan payable	7	96,313	86,263
Current liabilities of discontinued operations	9	-	261,018
Total Liabilities		511,918	782,761
Shareholders' deficiency:			
Share capital	11	4,363,325	4,263,325
Contributed surplus		879,921	879,921
Accumulated deficit		(5,753,924)	(5,894,049)
Total Shareholders' Deficiency		(510,678)	(750,803)
Total Liabilities and Shareholders' Deficiency		**$ 1,240**	**$ 31,958**

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 17)
Events subsequent to the year end (Note 18)

Approved on behalf of the Board on November 27, 2015:

"Chris Cooper"
Director

"Brad Nichol"
Director

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

WESTRIDGE RESOURCES INC.

Statements of Operations and Comprehensive Loss
For the years ended July 31, 2015 and 2014
(In Canadian Dollars)

		Year Ended	
	Notes	**July 31, 2015**	**July 31, 2014**
Expenses			
Accounting and Audit		$ 31,967	$ 32,413
Bank and interest charges		11,181	26,132
Office and general		5,547	38,162
Investor relations		781	-
Management fees	10	23,600	123,125
Professional fees		19,492	16,891
Registration and filing fees		12,283	14,709
Transfer agent fees		5,877	9,217
Loss before other items		(110,728)	(260,649)
Other items			
Gain on settlement of lawsuit	17	-	12,000
Loss on modification of convertible debenture	8	-	(297,692)
Finance expense		-	(19,642)
		-	(305,334)
Loss from continuing operations		(110,728)	(565,983)
Income from discontinued operations	9	250,853	7,093
Net income (loss) and comprehensive income (loss) for the year		$ 140,125	$ (558,890)
Income (loss) and comprehensive income (loss) per share	11(f)		
Basic and diluted			
Continuing operations		$ (0.00)	$ (0.06)
Discontinued operations		$ 0.01	$ 0.00
Total		$ 0.01	$ (0.06)

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

WESTRIDGE RESOURCES INC.

Statements of Changes in Shareholders' Deficiency
For the years ended July 31, 2015 and 2014
(In Canadian Dollars)

	Notes	Number of Common Shares	Common Stock Amount	Equity component of convertible loan	Contributed Surplus	Deficit	Total
Balance at July 31, 2013		**8,869,908**	**$ 3,620,536**	**$ 4,691**	**$ 582,229**	**$ (5,335,159)**	**$ (1,127,703)**
Net loss for the year		-	-	-	-	(558,890)	(558,890)
Shares issued on conversion of convertible debenture	11(c)	5,160,000	262,691	(4,691)	-	-	258,000
Shares issued on settlement of accounts payable	11(c)	7,329,113	366,456	-	-	-	366,456
Shares issued on settlement of shareholder loan	11(c)	280,000	14,000	-	-	-	14,000
Transaction costs on convertible debenture		-	(358)	-	-	-	(358)
Modification of convertible debenture	11(c)	-	-	-	297,692	-	297,692
Balance at July 31, 2014		**21,639,021**	**$ 4,263,325**	**$ -**	**$ 879,921**	**$ (5,894,049)**	**$ (750,803)**
Net income for the year		-	-	-	-	140,125	140,125
Shares issued for cash	11(c)	2,000,000	100,000	-	-	-	100,000
Balance at July 31, 2015		**23,639,021**	**$ 4,363,325**	**$ -**	**$ 879,921**	**$ (5,753,924)**	**$ (510,678)**

WESTRIDGE RESOURCES INC.

Statements of Cash Flows
For the years ended July 31, 2015 and 2014
(In Canadian Dollars)

	2015	2014
Operating activities		
Net loss from continuting operations	$ (110,728)	$ (565,983)
Adjustments for non-cash items:		
Accrued interest	10,050	9,465
Loss on modification of convertible debenture	-	297,692
Changes in non-cash working capital items:		
Receivables	27,274	(10,176)
Accounts payable and accrued liabilities	(19,875)	251,875
Net cash flows used in operating activities	(93,279)	(17,127)
Investing activities	-	-
Financing activities		
Shares issued for cash, private placement	100,000	-
Shareholder loan	-	14,000
Net cash flows from financing activities	100,000	14,000
Decrease in cash from continuing operations	6,721	(3,127)
Increase (decrease) in cash from discontinued operations operations	(10,165)	(209)
Decrease in cash for the year	(3,444)	(3,336)
Cash, beginning of year	3,657	6,993
Cash, ending of year	**$ 213**	**$ 3,657**

Supplemental information - Note 12

1. Nature and continuance of operations

Westridge Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on April 30, 2007. The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. The Company trades on the TSX Venture Exchange under the stock symbol WST.

The head office, principal and registered address and records office of the Company are located at 888 Dunsmuir Street, Suite 1100, Vancouver, B.C., V6C 3K4.

2. Basis of preparation

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at July 31, 2015, the Company had not advanced any exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuation as a going concern is dependent upon the successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy during the year ending July 31, 2015. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at July 31, 2015, the Company had cash and cash equivalents of $213 (2014 - $3,657), a net working capital deficiency of $510,678 (2014 - $750,803) and an accumulated deficit of $5,753,924 (2014 - $5,894,049) since inception and expects to incur further losses.

On March 3, 2014, the Company consolidated its share capital on one (1) new common share without par value for every two (2) two common shares without par value. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (note 11).

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below.

These accounting policies have been used throughout all periods presented in the financial statements.

3. Significant accounting policies

(a) Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

<u>Share-based payments</u>

Share-based payments are determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant. The Black-Scholes Option Pricing Model utilizes assumptions such as expected price volatility, the expected life of the option and the number of options that may be forfeited. Changes in these input assumptions may affect the fair value estimate.

<u>Deferred taxes</u>

The Company recognizes the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

(b) Consolidation

During the fiscal year ended July 31, 2015, the Company dissolved its 100% wholly owned Mexican subsidiary, Minera Westridge S.A. de C.V. , and accordingly, the 2015 financial statements are not consolidated. However, the comparative financial statements for the year ended July 31, 2014 include the subsidiary accounts and have been shown as discontinued assets and liabilities on the statements of financial position and gain on discontinued operations on the operations statement.

(c) Non-currents assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured at the lower of their carrying amount and fair value less costs to sell, with impairments recognized in the statements of income in the period measured. Non-current assets or disposal groups held for sale are presented in current assets and liabilities within the balance sheet. Assets or disposal groups held for sale are not depleted, depreciated or amortized. Liabilities associated with assets held for sale are presented separately from the Company's other liabilities.

Assets or disposal groups are classified as held-for-sale when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. For the sale to be highly probable management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.
A discontinued operation is a component of the Company that has either been disposed of or that is classified as held for sale. A component of the Company is comprised of operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Net earnings of a discontinued operation and any gain or loss on disposal are combined and presented as net earnings from discontinued operations in the statements of earnings (loss) and comprehensive earnings (loss).

(d) Foreign currency translation

The functional currency of the Company's subsidiary is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency. The functional currency of the subsidiary of the Company has also been determined to be the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

(e) Convertible debenture

The convertible debenture was initially recorded at fair value and subsequently measured at amortized cost. The convertible debenture was allocated between the debt and equity components using the residual method at the date of issuance and is recorded net of transaction costs. The debt component is accreted to the face value using the effective interest method, with the resulting charge recorded as accretion on convertible debenture, which is included in interest on convertible loan in the statement of operations.

In instances where the Company issues equity instruments to settle all or a part of the outstanding debt, the equity instruments are treated as consideration paid and are measured initially at fair value of the equity instruments issued, or when not reliably measurable, at the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss. If the financial liability is not fully extinguished, and terms related to the remaining portion have been modified, the Company allocates the consideration paid between the extinguished portion and the modified portion.

(f) Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using a Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a

fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period where they are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Other non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the value of the instrument is an objective evidence of impairment. The Company does not have any derivative financial assets and liabilities.

(h) Income taxes

Current tax:

Current tax assets and liabilities for the current period 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 reporting date, in the countries where the Company operates and generates taxable income.

Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options granted.

(j) Contingencies

Contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(k) Related party transactions

Parties are considered 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 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.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction/development or exploration of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(m) Provisions

Liabilities 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. A provision is a liability of uncertain timing or amount.

Provisions are measured as the expenditure expected to be required to settle the obligation at the reporting date. In cases where it is determined that the effects of the time value of money are significant, the 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 the current market assessment of the time value of money and the risks specific to the obligation.

(n) Debt modifications and extinguishments

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

4. Change in accounting policy

The following new standards, interpretations and amendments were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC"), and are effective for annual periods beginning on or after January 1, 2014. The following standards were adopted by the Company during the year ended July 31, 2015 had no material impact on the Company's consolidated financial statements:

(a) IFRS 2, Share-based Payment ("IFRS 2"):
Amended to clarify the definition of a vesting condition and separately define performance and service conditions. The amendment is effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

(b) IFRS 3, Business Combinations ("IFRS 3"):
Amended to clarify that an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as a financial liability or as equity on the basis of the definitions in IAS 32. Non-equity consideration is measured at fair value at each reporting date, with changes recognized in the results of operations. As well, the amendment clarifies that IFRS 3 does not apply to the formation of any joint arrangement and that the scope exemption only applies in the financial statements of the joint arrangement itself. The amendment is effective for business combinations for which the acquisition date is on or after July 1, 2014.

(c) IFRS 13, Fair Value Measurement ("IFRS 13"):
Amended to clarify that the portfolio exception in IFRS 13, which allows fair value measurement of a group of financial assets and liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

(d) IAS 24, Related Party Disclosures ("IAS 24"):
Amended to include as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity. The amendment is effective for annual periods beginning on or after July 1, 2014.

(e) IAS 32, Financial Instruments: Presentation ("IAS 32"):
Amended to provide further clarity around details relating to the right to offset and the application of offsetting under certain circumstances. The amendment is effective for annual periods beginning on or after January 1, 2014.

(All amounts are expressed in Canadian dollars)

(f) 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.

Future accounting policy changes issued but not yet in effect

The following amendments to existing standards were issued by the IASB and are effective for annual periods beginning on or after January 1, 2015. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from below:

IFRS 7 – Financial Instruments: Disclosure
Applies to additional disclosures required on transition from IAS 39 to IFRS 9. The effective date of IFRS 7 is January 1, 2015. The Company is assessing the impact of this new standard, if any, on the financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement
Applies to classification and measurement of financial assets and liabilities as well as derecognition of financial instruments. IFRS 9 will replace IAS 39. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the impact of this new standard, if any, on the financial statements.

5. Accounts receivable

Accounts receivable consist of the following:

		2015		2014
Goods and Services Tax/Harmonized Sales Tax	$	1,027	$	28,301

6. Accounts payable and accrued liabilities

		2015		2014
Operating accounts payable	$	385,302	$	295,697
Accrued liabilities		7,000		22,000
Amounts due to related parties (note 10)		23,303		117,783
	$	415,605	$	435,480

During the year ended July 31, 2014, the Company settled certain accounts payable of $366,456 by issuing 7,329,112 common shares, of which 309,600 common shares were issued to settle interest payable related to the convertible debenture (Notes 8). Included in the $366,456 was $127,530 settled to related parties (notes 10, 11).

Included in accounts payable and accrued liabilities as at July 31, 2014 was $80,000 related to a commitment to make payments to Tektite pursuant to the terms of the Amended Agreement.

During the year ended July 31, 2014, the Company received a loan from a shareholder for $14,000. The amount is unsecured, bears interest at 1% per month and is repayable on demand. The Company settled the loan by issuing 280,000 common shares as at July 31, 2014 (Notes 10 and 12).

7. Loan Payable

The loan is payable to a former officer, unsecured and bears interest at 15% per annum. The original loan was in the amount of $67,000 and was due on August 20, 2013. During the year ended July 31, 2015, the Company accrued interest of $10,050 (2014 - $9,465). As at July 31, 2015, the total interest accrued was $29,313.

8. Convertible debenture

On February 22, 2013, the Company issued a convertible debenture in the principal amount of $258,000 (the “Loan”). The Loan bears interest at a rate of 8% per annum, and the Company has the right to redeem, at any time, any portion of the principal amount outstanding by payment of that portion of the principal amount that is being redeemed to the creditor.

The creditor may convert the Loan, in whole and not in part, into common shares of the Company. The Original Conversion Price was $1.30. On April 30, 2014, the Original Conversion Price was amended to $0.05 per common share. Under the new terms, a loss in the amount of $297,692, equal to the difference between the fair value of the consideration the holder receives on conversion under the revised terms and the fair value under the original terms, was recognized in profit or loss with a corresponding increase in equity).

For accounting purposes, the Loan contains both a liability component and an equity component, being the creditor’s conversion option to shares, which have been separately presented on the statement of financial position. The Company allocated the original $258,000 principal of the Loan to the individual liability ($253,309) and equity components ($4,691), by establishing the fair value of the liability component at the date of issue and then allocating the remaining balance of the net proceeds to the equity component. The fair value of the liability component was determined by discounting the stream of future payments of interest and principal amounts at the estimated prevailing market rate at the date of issuance of 10% for a debt instrument of similar maturity and credit quality but without any share conversion option for the lenders. Including the impact of the costs of issuance, applying the effective interest method, the liability component of the Loan bears an effective annual interest rate of 10%.

(All amounts are expressed in Canadian dollars)

On April 30, 2014, the Original Conversion Price was amended to $0.05 per common share. Under the new terms, a loss in the amount of $297,692, equal to the difference between the fair value of the consideration the holder receives on conversion under the revised terms and the fair value under the original terms, was recognized in profit or loss with a corresponding increase in equity).

During the year ended July 31, 2014, the Company accrued interest expense of $15,480 related to the Loan. In April 2014, the Company converted the principal amount into 5,160,000 common shares and settled interest payable by issuing 309,600 common shares (Notes 6, 10 and 12).

The convertible debenture is made up as follows:

	2015	2014
Equity component (note 11)	$ -	$ -
Liability component, beginning of year	-	258,000
Accretion	-	-
Conversion	-	(258,000)
Liability component, end of year	$ -	$ -

9. Discontinued operations

During the year ended July 31, 2015, the Company dissolved its wholly-owned Mexican subsidiary Minera Westridge S.A. de C.V. One of the accounts on the 2014 financial statements was re-classified in order to properly distinguish amounts that relate to the Mexican subsidiary. Specifically, on the Statement of Financial Position, $261,018 of accounts payable and accrued charges were reclassified as discontinued current liabilities.

The analysis of the net income (loss) and the net cash inflow (outflow) from the discontinued operation were as follows:

For the Year Ended July 31	2015	2014
General and administrative	$ (511,871)	$ 1,677
Accounts payable eliminated on dissolution	261,018	-
Forgiveness of accounts payable	-	(8770)
	(250,853)	(7,093)
Net income from discontinued operations	$ 250,853	$ 7,093

(All amounts are expressed in Canadian dollars)

For the Year Ended July 31	2015	2014
Net cash inflow (outflow) from discontinued operations		
Net income from discontinued operations	$ 250,853	$ 7,093
Items not involving cash		
Accounts payable eliminated on dissolut	(261,018)	-
Forgiveness of accounts payable	-	(8,770)
	(10,165)	(1,677)
Increase in accounts payable	-	1468
	$ (10,165)	$ (209)

10. Related party transactions

The following amounts due to related parties are included in accounts payable and accrued liabilities (note 8):

	2015	2014
Companies controlled by executives of the Company	$ 23,303	$ 117,783

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended July 31, 2014, the Company settled certain amounts payable to related parties in the amount of $127,530 by issuing 2,550,600 common shares (notes 8, 11).

The Company incurred the following transactions with companies that are controlled by directors and officers of the Company:

	2015	2014
Short-term employee benefits – accounting, management, and consulting fees	$ 9,000	$ 76,625

11. Share capital and reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value.

(b) Share consolidation:

On March 3, 2014, the Company consolidated its share capital on one (1) new common share without par value for every two (2) two common shares without par value. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (note 2).

(c) Share transactions

During the year ended July 31, 2015, the Company had the following share transactions:

I. On October 15, 2014, the Company issued 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000.

During the year ended July 31, 2014, the Company had the following share transactions:

I. On July 3, 2014, the Company issued 7,329,113 common shares at $0.05 per share to certain vendors for the settlement of accounts payable, which included interest payable (Notes 6, 8 and 12).

II. On the same date, the Company issued 5,160,000 common shares at $0.05 per share to the holder of the convertible debenture for settlement of the principal amount of the debenture. The balance of $4,691 under equity component of convertible debenture was reclassified to share capital upon conversion of the debenture.

III. Also on July 3, 2014, the Company issued 280,000 common shares at $0.05 per share to a shareholder for settlement of shareholder loan (Notes 6 and 12).

IV. On August 15, 2013, a private placement consisted of 794,800 Units at a price of $0.50 per Unit for gross proceeds of $397,400 was closed ($225,000 of the total proceeds were received during the year ended July 31, 2013). Each unit consists of one share and one-half of one warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.70 until August 15, 2015. The Company paid arm’s length finders a total cash commission of $23,750 and issued to the finders 47,500 Finder’s Warrants. Each Finder’s Warrant entitles the holder to purchase one common share of the Company at a price of $0.70 until August 15, 2015.

(All amounts are expressed in Canadian dollars)

(d) Warrants:

The changes in warrants during the years ended July 31, 2015 and 2014 are as follows:

	July 31, 2015		July 31, 2014	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of the year	444,900	$ 0.70	514,382	$ 1.70
Warrants granted	-	-	444,900	0.70
Warrants expired	-	$ 0.70	(514,382)	1.70
Warrants outstanding, end of the year	444,900	$ 0.70	444,900	$ 0.70

444,900 warrants at an exercise price of $0.70 expired on August 15, 2014.

(e) Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

The Company had no stock options outstanding as at July 31, 2015 or 2014.

(f) Loss per share

The calculation of basic and diluted loss per share for the year ended July 31, 2015 was based on the weighted average number of common shares outstanding of 23,162,308 (2014 – 9,884,440).

12. Supplemental information with respect to cash flows

The Company has not paid any amounts for interest or income taxes during either the year ended July 31, 2015 or 2014.

The following items did not involve cash during the year ended July 31, 2014:

(a) A vendor forgave accounts payable in the amount of $8,770 (Note 9).
(b) The Company issued 12,769,112 common shares for the settlement of accounts payable, a shareholder loan and the convertible debenture (Notes 6, 8 and 10).

13. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist solely of refundable sales taxes.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at July 31, 2015, the Company's liabilities consisted of accounts payable and accrued liabilities of $415,605 and a loan payable of $96,313. The Company's cash and cash equivalents of $213 at July 31, 2015, are not sufficient to pay these liabilities. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars and has dissolved its Mexican subsidiary.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk.

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

(d) Fair value of financial instruments

Financial instruments included in the statements of financial position are measured at fair value upon initial recognition and are adjusted to their fair value at July 31, 2015. The carrying amount of financial instruments classified as current approximates fair value due to their short-term to maturity. In fiscal 2014, long-term debt was initially measured at fair value and subsequently recorded at amortized cost using the effective interest rate method.

	2015	2014
Financial assets		
FVTPL, at fair value		
Cash	$ 213	$ 3,657
Total financial assets	$ 213	$ 3,657

		2015		2014
Financial liabilities				
Other liabilities, at amortized cost				
Accounts payable	$	415,605	$	435,480
Loan payable		96,313		86,263
Current liabilities of discontinued operations		-		261,018
Total financial liabilities	$	511,918	$	782,761

Fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. For the purposes of estimating the fair value of derivative contracts, quoted market prices are utilized and if not available, estimates from third party brokers. These broker estimates are corroborated with external sources or observable market data using assumptions that market participants would use when pricing the asset or liability. In the absence of quoted market prices and broker estimates, fair value is determined upon valuation models. Fair values determined by valuation models require the use of assumptions. In developing assumptions, the Company uses external readily observable market inputs. In circumstances market inputs are not available, the Company uses input data that is not based upon market data.

The Company classifies fair value of derivatives according to the following hierarchy on the amount of observable inputs used to value the instruments.

Level I – Quoted prices are available in active markets for identical assets or liabilities at the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on a consistent basis. These derivatives include financial instruments traded on merchant exchanges.

Level II – Pricing inputs used are other than prices in active markets included in Level I. Fair values in Level II are determined by using quoted market prices in active markets and adjusted for factors specific to the asset or liability. Level II valuations are based on inputs, including quoted forward prices for commodities and interest rates, time value, volatility factors and broker quotations, which can be substantially observed or corroborated in the market place for over-the-counter derivatives.

Level III – Fair values are determined using inputs for the asset or liability that are not readily observable or are unavailable. These derivatives may include items based upon pricing services or broker quotes where the observations of inputs are unavailable to the Company. In these instances, internal methodologies are used to determine fair value with inputs based upon historical data, forward pricing curves, time value of money, and market risk including counterparty default.

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level I to III based on the degree to which the inputs used to determine the fair value are observable.

(All amounts are expressed in Canadian dollars)

As at July 31, 2015		Level I		Total
Financial assets at fair value				
Cash and cash equivalents	$	213	$	213

As at July 31, 2014		Level I		Total
Financial assets at fair value				
Cash	$	3,657	$	3,657

14. Capital disclosures

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:
(a) to safeguard the Company's ability to continue as a going concern and provide returns for shareholders; and
(b) to facilitate the acquisition or development of projects in Canada consistent with the growth strategy of the Company.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company considers convertible debentures net of cash, shareholder loans; and shareholders' equity (deficiency) to be capital. The Company does not have any externally imposed requirements on its capital.

There have been no changes in the Company's approach to capital management from the previous years.

15. Income taxes

Income tax expense varies from the amount that would be computed by applying the expected basic federal and provincial income tax rates for Canada at July 31, 2015 at 26.0% (2014 –27.7%) to income before income taxes.

(All amounts are expressed in Canadian dollars)

A reconciliation of the differences is as follows:

		2015		2014
Net income (loss) for the year	$	140,125	$	(558,890)
Expected income tax (recovery)	$	36,000	$	(155,316)
Change in statutory, foreign tax, foreign exchange rates and other and other		7,000		6,169
Permanent Difference		(68,000)		103,412
Change in unrecognized deductible temporary differences		25,000		45,735
Total income tax expense (recovery)	**$**	-	**$**	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

		2015		2014
Share issue costs	$	6,000	$	12,000
Non-capital losses		656,000		637,000
Unrecognized net deferred tax asset	**$**	**662,000**	**$**	**649,000**

	2015	Expiry Range	2014	Expiry Range
Temporary Differences				
Share issue costs	25,000	2016 to 2017	45,000	2015 to 2017
Non-capital losses available for future periods	2,523,000	2015 to 2035	2,382,000	2014 to 2034

Tax attributes are subject to review and potential adjustments from tax authorities

16. Segmented information

At July 31, 2015, the Company operates in two geographical areas, being Canada and Mexico and corporate administrative activities are conducted in Canada. Discontinued operations consist of operations conducted by the Company's wholly-owned subsidiary (note 5).

The following is an analysis of the revenues, net income (loss), total assets and liabilities by reportable segment:

(All amounts are expressed in Canadian dollars)

As at July 31, 2015		**Canada**		**Mexico**		**Total**
Net income (loss) and comprehensive income (loss) for the year	$	(110,728)	$	250,853	$	140,125
Current assets		1,240		-		1,240
Total liabilities		511,918		-		511,918

As at July 31, 2014	**Canada**	**Mexico**	**Total**
Net loss and comprehensive loss for the year	(565,983)	(7,093)	(558,890)
Current assets	30,241	1,717	31,958
Total liabilities	521,743	261,018	782,761

17. Commitments and contingencies

Included in accounts payable and accrued liabilities as at July 31, 2015 is $80,000 (2014 - $80,000) related t a commitment to make payments to a third party. The Company is in default related to certain terms of the agreement (Note 6).

As at July 31, 2015, the Company is in default related to certain of a loan payable (Note 7).

During the year ended July 31, 2014, the Company received $12,000 for settlement again a third party regarding an acquisition of certain mineral rights.

18. Events subsequent to the reporting period

On October 27, the Company received $20,000 by way of a demand note payable, bearing interest at 1% per month.

Consolidated Financial Statements of

WESTRIDGE RESOURCES INC.

For the years ended July 31, 2014 and 2013

Expressed in Canadian Dollars

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Westridge Resources Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and Audit Committee are composed primarily of directors who are neither management nor employees of Westridge Resources Inc. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of Westridge Resources Inc.'s external auditors.

James Stafford Chartered Accountants, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

November 27, 2014

“Andrew Cheshire”
President and CEO – Andrew Cheshire

JAMES STAFFORD

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Westridge Resources Inc.

We have audited the accompanying consolidated financial statements of Westridge Resources Inc. (the "Company") which comprise the consolidated statements of financial position as at 31 July 2014 and 2013 and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years ended 31 July 2014 and 2013, 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.

Auditor's 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 July 2014 and 2013 and the results of its operations and its cash flows for the years ended 31 July 2014 and 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

James Stafford

Chartered Accountants

Vancouver, Canada
27 November 2014

WESTRIDGE RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(In Canadian Dollars)

		July 31, 2014		July 31, 2013
Assets				
Current assets:				
Cash and cash equivalents	$	3,657	$	6,993
Accounts receivable (note 6)		28,301		18,125
		31,958		25,118
	$	31,958	$	25,118
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities (note 8)	$	696,498	$	818,023
Convertible debenture (note 9)		-		258,000
Shareholder loan (notes 10 and 12)		86,263		76,798
		782,761		1,152,821
Shareholders' deficiency:				
Share capital (note 11(c))		4,263,325		3,620,536
Equity component of convertible debenture (note 9)		-		4,691
Contributed surplus		879,921		582,229
Deficit, accumulated during the exploration stage		(5,894,049)		(5,335,159)
		(750,803)		(1,127,703)
	$	31,958	$	25,118

Nature and continuance of operations (note 1)
Commitments and contingencies (note 18)
Subsequent events (note 19)

Approved on behalf of the Board on November 27, 2014:

"Andrew Cheshire"
Director

"Brad Nichol"
Director

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

WESTRIDGE RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Operations and Comprehensive Loss

For the years ended July 31, 2014 and 2013
(In Canadian Dollars)

	2014	2013
Expenses:		
Accounting and audit (note 10)	$ 32,413	$ 43,734
Advertising and promotion	-	18,307
Bad debt expense	-	27,618
Bank and interest charges (notes 9, 10 and 12)	26,132	31,666
Office and general	38,162	35,752
Investor relations	-	94,108
Management fees and consulting (note 10)	123,125	205,850
Professional fees	16,891	68,427
Registration and filing fees	14,709	11,547
Transfer agent fees	9,217	8,233
	(260,649)	(545,242)
Loss before the following items	(260,649)	(545,242)
Gain on settlement of lawsuit (note 18)	12,000	-
Loss on modification of convertible debenture (note 9)	(297,692)	-
Finance expense (note 9)	(19,642)	-
Write off of exploration and evaluation assets (note 7)	-	(1,721,132)
Write off or forgiveness of accounts payable (note 8)	-	31,558
Interest income	-	48
	(305,334)	(1,689,526)
Loss from continuing operations	(565,983)	(2,234,768)
Income (loss) from discontinued operations (note 5)	7,093	(611,352)
Net loss and comprehensive loss for the year	$ (558,890)	$ (2,846,120)

Income (loss) and comprehensive income (loss) per share (note 11(f))		
Basic and diluted		
Continuing operations	$ (0.06)	$ (0.25)
Discontinued operations	$ 0.00	$ (0.07)
Total	$ (0.06)	$ (0.32)

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

WESTRIDGE RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Deficiency

For the years ended July 31, 2014 and 2013
(In Canadian Dollars)

	Share capital	Equity component of convertible debenture	Contributed surplus	Subscription received in advance	Deficit	Total
Balance, July 31, 2012	$ 3,293,812	$ 4,691	$ 535,302	$ 225,000	$ (2,489,039)	$ 1,569,766
Net loss for the year	-	-	-	-	(2,846,120)	(2,846,120)
Shares issued for private placement (note 11 (c))	357,660	-	39,740	(225,000)	-	172,400
Share issue costs	(30,936)	-	7,187	-	-	(23,749)
Balance, July 31, 2013	3,620,536	4,691	582,229	-	(5,335,159)	(1,127,703)
Net loss for the year	-	-	-	-	(558,890)	(558,890)
Shares issued on conversion of convertible debenture (notes 9 and 11 (c))	262,691	(4,691)	-	-	-	258,000
Shares issued on settlement of accounts payable (notes 8 and 11 (c))	366,456	-	-	-	-	366,456
Shares issued on settlement of shareholder loan (notes 11 (c) and 12)	14,000	-	-	-	-	14,000
Transaction costs on convertible debenture (notes 9 and 11 (c))	(358)	-	-	-	-	(358)
Modification of convertible debenture (note 9)	-	-	297,692		-	297,692
Balance, July 31, 2014	$ 4,263,325	$ -	$ 879,921	$ -	$ (5,894,049)	$ (750,803)

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

WESTRIDGE RESOURCES INC.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows

For the years ended July 31, 2014 and 2013
(In Canadian Dollars)

	2014	2013
Cash used in:		
Operations		
Net loss from continuing operations	$ (565,983)	$ (2,234,768)
Items not involving cash:		
Accretion on convertible debenture (note 9)	-	2,912
Accrued interest	9,465	19,510
Loss on modification of convertible debenture (note 9)	297,692	-
Write off or forgiveness of accounts payable (note 8)	-	(31,558)
Write off of exploration and evaluation assets (note 7)	-	1,721,132
	(258,826)	(522,772)
Changes in non-cash working capital (note 13)	241,699	208,220
Cash flows used in continuing operations	(17,127)	(314,552)
Financing:		
Shareholder loan (note 12)	14,000	-
Shares issued for cash, private placement	-	172,400
Share issue costs	-	(23,749)
Cash flows provided by financing from continuing operations	14,000	148,651
Investing:		
Change in restricted cash	-	3,500
Exploration and evaluation expenditures	-	(79,901)
Cash flows used in investing from continuing operations	-	(76,401)
Decrease in cash from continuing operations	(3,127)	(242,302)
Increase (decrease) in cash from discontinued operations (note 5)	(209)	426
Decrease in cash for the year	(3,336)	(241,876)
Cash, beginning of year	6,993	248,869
Cash, end of year	$ 3,657	$ 6,993

Supplemental information with respect to cash flows (note 13)

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

1. Nature and continuance of operations

Westridge Resources Inc. (the “Company”) is an exploration stage company incorporated under the laws of the Province of British Columbia on April 30, 2007. The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. The Company trades on the TSX Venture Exchange under the stock symbol WST.

The head office, principal and registered address and records office of the Company are located at 888 Dunsmuir Street, Suite 1100, Vancouver, B.C., V6C 3K4.

2. Basis of preparation

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at July 31, 2014, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuation as a going concern is dependent upon the successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company’s capital resources should be adequate to continue operating and maintaining its business strategy during the year ending July 31, 2015. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at July 31, 2014, the Company had cash and cash equivalents of $3,657 (2013 - $6,993), a net working capital deficiency of $750,803 (2013 - $1,127,703) and an accumulated deficit of $5,894,049 (2013 - $5,335,159) since inception and expect to incur further losses.

On March 3, 2014, the Company consolidated its share capital on one (1) new common share without par value for every two (2) two common shares without par value. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (note 11).

2. Basis of preparation (*continued)*

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements.

3. Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Mineral reserves

Proven and probable mineral reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable mineral reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as assumptions related to foreign exchange rates, commodity prices, future capital requirements, metal recovery factors and production costs along with geological assumptions and judgments made in estimating the size and grade of ore bodies. Changes in proven and probable mineral reserves or measured and indicated and inferred mineral resource estimates may impact the carrying value of mineral properties, plant and equipment, asset retirement obligations, recognition of deferred tax amounts and amortization.

Share-based payments

Share-based payments are determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant. The Black-Scholes Option Pricing Model utilizes assumptions such as expected price volatility, the expected life of the option and the number of options that may be forfeited. Changes in these input assumptions may affect the fair value estimate.

3. Significant judgments, estimates and assumptions (*continued)*

Asset retirement obligation

The Company assesses its provision for reclamation and remediation on an annual basis or when new information or circumstances merit a re-assessment. Significant estimates and assumptions are made in determining the provision for reclamation and remediation, including estimates of the extent and costs of the activities, technological changes, regulatory changes, foreign exchange rates, inflation rates and discount rates. The provision for asset retirement obligations represents management's best estimate of the present value of the future reclamation and remediation obligation. Actual expenditures may differ from the recorded amount. Changes to the provision for reclamation and remediation are recorded with a corresponding change to the carrying value of the related asset. If the increase in the asset results in the asset exceeding the recoverable value, that portion of the increase in charged to expense.

Convertible debenture

The convertible debenture is initially recorded at fair value and subsequently measured at amortized cost. The convertible debenture is allocated between the debt and equity components using the residual method at the date of issuance and is recorded net of transaction costs. The debt component is accreted to the face value using the effective interest method, with the resulting charge recorded as accretion on convertible debenture, which is included in interest on convertible loan in the consolidated statement of operations.

In instances where the Company issues equity instruments to settle all or a part of the outstanding debt, the equity instruments are treated as consideration paid and are measured initially at fair value of the equity instruments issued, or when not reliably measurable, at the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss. If the financial liability is not fully extinguished, and terms related to the remaining portion have been modified, the Company allocates the consideration paid between the extinguished portion and the modified portion.

Deferred taxes

The Company recognizes the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

Impairment of long-lived assets

Annually, or more frequently as circumstances require (such as a substantive decrease in metal prices, an increase in operating costs, a decrease in mineable resources or a change in foreign taxes or exchange rates), reviews are undertaken to evaluate the carrying value of the mining properties, mineral properties and plant and equipment considering, among other factors: the carrying value of each type of asset; the economic feasibility of continued operations; the use, value or condition of assets when not in operation; and changes in circumstances that affect decisions to reinstall or dispose of assets.

Impairment is considered to exist if the recoverable amount is less than the carrying amount of the assets.

3. Significant judgments, estimates and assumptions (*continued)*

Future cash flows used to assess recoverability are estimated based on expected future production, recoverability of resources, commodity prices, foreign exchange rates, operating costs, reclamation costs and capital costs. Management's estimate of future cash flows is subject to risks and uncertainties, including the discount rate assumption. It is possible that changes in estimates may occur, that affect management's estimate of the recoverability of the investments in long-lived assets. To the extent that the carrying amount of assets exceeds the recoverable amount, the excess is charged to expense.

Fair value is determined with reference to estimates of future discounted cash flow or to recent transactions involving dispositions of similar properties. Management believes that the estimates applied in the impairment assessment are reasonable; however, such estimates are subject to significant uncertainties and judgments. Although management has made its best estimate of these factors based on current and expected conditions, it is possible that the underlying assumptions could change significantly and impairment charges may be required in future periods. Such charges could be material.

4. Significant accounting policies and basis of preparation

Basis of preparation

These consolidated financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense as set out in the accounting policies below. Certain items, including derivative financial instruments, are stated at fair value, as explained in note 15.

The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Details of the controlled entity are as follows:

		Percentage owned	
	Country of incorporation	2014	2013
Minera Westridge S.A. de C.V.	Mexico	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

4. Significant accounting policies and basis or preparation *(continued)*

Non-currents assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured at the lower of their carrying amount and fair value less costs to sell, with impairments recognized in the statements of income in the period measured. Non-current assets or disposal groups held for sale are presented in current assets and liabilities within the balance sheet. Assets or disposal groups held for sale are not depleted, depreciated or amortized. Liabilities associated with assets held for sale are presented separately from the Company's other liabilities.

Assets or disposal groups are classified as held-for-sale when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. For the sale to be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.

A discontinued operation is a component of the Company that has either been disposed of or that is classified as held for sale. A component of the Company is comprised of operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Net earnings of a discontinued operation and any gain or loss on disposal are combined and presented as net earnings from discontinued operations in the statements of earnings (loss) and comprehensive earnings (loss). Comparative periods are re-presented to reflect discontinued operations presentation.

Foreign currency translation

The functional currency of the Company's subsidiary is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the Company's functional and presentation currency. The functional currency of the subsidiary of the Company has also been determined to be the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

4. Significant accounting policies and basis or preparation *(continued)*

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using a Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment of assets

The carrying amount of the Company’s assets (which exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

4. Significant accounting policies and basis or preparation *(continued)*

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Intangible assets that have an indefinite useful life and intangible assets that are not yet available for use are not subject to amortization and are tested annually for impairment.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period where they are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Other non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

4. Significant accounting policies and basis or preparation *(continued)*

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the value of the instrument is an objective evidence of impairment. The Company does not have any derivative financial assets and liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash at banks with original maturities of three months or less.

Income taxes

Current tax:

Current tax assets and liabilities for the current period 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 reporting date, in the countries where the Company operates and generates taxable income.

Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4. Significant accounting policies and basis or preparation *(continued)*

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options granted.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at July 31, 2014 and 2013, the Company did not have any restoration and environmental obligations.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

4. Significant accounting policies and basis or preparation *(continued)*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Property and equipment are recorded at cost less accumulated depreciation. Half year rule is applied to the first year of acquisition. Depreciation is provided on a straight line basis over the estimated useful lives of the assets.

Contingencies

Contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Related party transactions

Parties are considered 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 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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction/development or exploration of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Provisions

Liabilities 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. A provision is a liability of uncertain timing or amount.

Provisions are measured as the expenditure expected to be required to settle the obligation at the reporting date. In cases where it is determined that the effects of the time value of money are significant, the 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 the current market assessment of the time value of money and the risks specific to the obligation.

Convertible debenture

The convertible debenture was initially recorded at fair value and subsequently measured at amortized cost. The convertible debenture is allocated between the debt and equity components using the residual method at the date of issuance and is recorded net of transaction costs. The equity component is estimated using the residual method and the debt component is accreted to the face value using the effective interest method, with the resulting charge recorded as accretion on convertible debenture, which is included in interest on convertible debenture in profit or loss.

4. Significant accounting policies and basis or preparation *(continued)*

An entity may amend the terms of a convertible instrument to induce early conversion. The difference, at the date the terms are amended, between the fair value of the consideration the holder receives on conversion of the instrument under the revised terms and the fair value of the consideration the holder would have received under the original terms is recognised as a loss in profit or loss.

Debt modifications and extinguishments

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Change in accounting policy

The Company adopted the following new standards and amendments effective August 1, 2013:

- IFRS 10 *'Consolidated Financial Statements'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces consolidation requirements in IAS 27 (as amended in 2008) and SIC-12.
- IFRS 11 *'Joint Arrangements'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces IAS 31 and SIC-13.
- IAS 19 (Amendment) *'Employee Benefits'* is effective for annual periods beginning on or after January 1, 2013 and revises recognition and measurement of post-employment benefits.
- IFRS 13 *'Fair Value Measurement'* is a new standard effective for annual periods beginning on or after January 1, 2013 that replaces fair value measurement guidance in other IFRSs.
- IFRS 12 *'Disclosures of Interest in Other Entities'* is a new standard effective for annual periods beginning on or after January 1, 2013 and applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.
- IAS 28 *'Investments in Associated Joint Ventures'* is effective for annual periods beginning January 1, 2013 and outlines the accounting for investments in associates.

The adoption of the above standards did not result in a significant impact on the Company's consolidated financial statements.

4. Significant accounting policies and basis or preparation *(continued)*

Adoption of new and revised standards and interpretations

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended July 31, 2014.

- The IASB has undertaken a three-phase project to replace IAS 39 *'Financial Instruments: Recognition and Measurement*' with IFRS 9 *'Financial Instruments'*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. The new standard addresses classification and measurement of financial assets and liabilities, and introduces a new hedge accounting model. The amendments are effective for annual periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of adoption of IFRS 9 and does not intend to early adopt IFRS 9 in its financial statements.
- IFRS 2 *'Share-based Payments'* is an amendment that clarifies the definition of vesting conditions and separately define a performance condition and a service condition. The amendments are effective for a share-based payment transaction for which the grant date is on or after July 1, 2014.
- IFRS 3 *'Business Combinations'* is an amendment to clarify the definition of contingent consideration. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.
- IFRS 8 *'Operating Segments'* is an amendment to clarify aggregation criteria. The amendments are effective for annual periods beginning on or after July 1, 2014.
- IAS 16 *'Property, Plant and Equipment'* is an amendment to clarify acceptable methods of depreciation and amortization. The amendment is effective for annual periods beginning on or after January 1, 2016.
- IAS 24 *'Related Party Disclosures'* amendments clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, and is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

(all amounts are expressed in Canadian dollars)

4. Significant accounting policies and basis or preparation *(continued)*

- IAS 32 (Amendment) *'Financial Instruments: Presentation'* establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. The amendments are effective for annual periods beginning on or after January 1, 2014.
- IAS 36 *'Impairment of Assets*' was amended to require disclosure of the recoverable amount of impaired assets and requires additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate, when a present value technique is used to measure the recoverable amount. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014.

- IFRIC 21 *'Levies'* provides guidance on the accounting for levies within the scope of IAS 37 provisions, contingent liabilities and contingent assets. The main feature of IFRIC 21 is that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation, and the liability to pay a levy is recognized progressively if the obligation event occurs over a period of time. The standard is effective for annual periods beginning on or after January 1, 2014.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

5. Discontinued operations

During the year ended July 31, 2014, the Company has decided to cease operations of and dissolve its wholly-owned subsidiary due to unfavorable economic conditions. The analysis of the net income (loss) and the net cash inflow (outflow) from the discontinued operation were as follows:

		2014		2013
General and administrative		1,677		5,720
Forgiveness of accounts payable (notes 8 and 13)		(8,770)		-
Write off of exploration and evaluation assets (note 7)		-		605,632
		(7,093)		611,352
Net income (loss) from discontinued operations	$	7,093	$	(611,352)

	2014	2013
Net cash inflows (outflows) from discontinued operations:		
Net income (loss) from discontinued operations	7,093	(611,352)
Items not involving cash:		
Write off or forgiveness of accounts payable	(8,770)	-
Write off of exploration and evaluation assets	-	605,632
	(1,677)	(5,720)
Increase in accounts payable	1,468	6,146
Cash flows provided by (used in) discontinued operations	(209)	426
Increase (decrease) in cash from discontinued operations	(209)	426

(all amounts are expressed in Canadian dollars)

6. Accounts receivable

Accounts receivable consist of the following:

	2014	2013
Goods and Services Tax/Harmonized Sales Tax	$ 28,301	$ 18,125

7. Exploration and evaluation assets

Cost	**2014**	**2013**
Balance, beginning of year	$ -	$ 2,089,752
Additions	-	237,012
Write down (note 5)	-	(2,326,764)
Balance, end of year	$ -	$ -

Mt. Sicker Property, Duncan, British Columbia, Canada

During November 2007, the Company entered into an option agreement with 747080 B.C. Ltd. (the “Vendor”), whereby the Company could acquire a 100% interest in the Mt. Sicker mineral property located near Duncan, British Columbia (the “Mt. Sicker Property”) by issuing 200,000 common shares (issued) and making cash payments totaling $150,000 ($95,000 paid) over four years (the “Agreement”). The Mt. Sicker Property was subject to a 2% net smelter return (“NSR”) held by the Vendor payable upon commencement of commercial production that could be reduced to 1% by paying the Vendor $1,000,000. Within 30 days of the commencement of commercial production, the Company would issue 200,000 common shares to the Vendor.

On August 6, 2010, a $3,500 security deposit was made to the Ministry of Energy and Mines of Canada in accordance with an agreement in connection with the Company’s Mt. Sicker property. The deposit was released in 2013.

During the year ended July 31, 2011, the Company issued the last instalment of 37,500 common shares valued at $29,250 and made cash payment of $15,000 towards the Agreement. During the year ended July 31, 2012, the Company terminated the Agreement and recorded a write down of $286,331 related to the Mt. Sicker Property.

Charay Project, Mexico

On August 8, 2011 (as amended on August 15, 2011 and November 23, 2011), the Company entered into an option agreement (the “Option Agreement”) with Musgrove Minerals Corp. (“Musgrove”), an arm’s length company, whereby the Company had an option to acquire up to a 100% interest in and to certain concessions located in the Sinaloa State, Mexico known as the Charay Project (the “Charay Project”).

7. Exploration and evaluation assets (*continued)*

Under the terms of the Option Agreement, the Company had the exclusive right and option (the "Option") to earn an initial 80% interest in the Charay Project by:

- Paying to Musgrove an aggregate of $550,000 on or before January 27, 2014;
- Paying to the underlying owners an aggregate of $2,367,500 on or before January 27, 2014;
- Issuing to Musgrove an aggregate of 600,000 common shares of the Company on or before January 27, 2014 (200,000 common shares issued on January 27, 2012);
- Funding a work program of not less than $500,000 to be incurred on or before February 28, 2012 (fulfilled); and
- Assuming Musgrove's indebtedness to a vendor in the principal amount of $258,000 plus interest at an amount of $1,720 per month. The indebtedness was due on demand by the vendor and would remain binding on the Company if the Option Agreement was terminated (note 9).

After earning an 80% interest in the Charay Project, Musgrove's 20% interest would be carried to the earlier of commercial production or the exercise by the Company of an option to acquire the remaining 20% interest. The Company would have the right at any time up to January 27, 2017, to purchase the remaining 20% interest from Musgrove for a single $5,000,000 lump sum payment.

The Charay Project was subject to a 2% NSR royalty payable upon commencement of commercial production. At all times during the term of the Option Agreement, the Company would be the operator for all exploration and development activities on the Charay Project.

On September 28, 2012, the terms of the Option Agreement were amended (the "Amended Agreement"). The Amended Agreement was made among the Company, Musgrove, Musgrove's wholly owned subsidiary, Minerales Jazz SA de CV, Tektite Financial Inc. ("Tektite") and Tektite's wholly owned subsidiary, Jaznico Exploraciones SA de CV.

Under the terms of the Amended Agreement, the Company had the exclusive right and option to acquire a 100% interest in an additional mineral concession (the "Jazzy Mineral Concession") by:

- Paying to Musgrove and Tektite an aggregate of $210,000 over three years;
- Paying to Tektite an aggregate of $90,000, payable in monthly installments ($10,000 paid). The amount payable to Tektite would remain binding on the Company if the Amended Agreement was terminated (notes 8 and 18);
- Issuing to Musgrove and Tektite an aggregate of 225,000 common shares of the Company over two years;
- Incurring an aggregate of $1,300,000 in exploration expenditures on the Jazzy Mineral Concession by the fourth anniversary of the Amended Agreement.

The Jazzy Mineral Concession was subject to an aggregate 2% NSR royalty payable to Tektite and Musgrove upon commencement of commercial production.

On January 28, 2013, the Company terminated the Amended Agreement and recorded a write down of $2,326,764 related to the Charay Project and the Jazzy Mineral Concession (notes 5 and 13).

(all amounts are expressed in Canadian dollars)

8. Accounts payable and accrued liabilities

		2014		2013
Operating accounts payable	$	556,715	$	656,063
Accrued liabilities		22,000		25,000
Amounts due to related parties (note 10)		117,783		136,960
	$	696,498	$	818,023

During the year ended July 31, 2014, the Company settled certain accounts payable of $366,456 (2013 - $nil) by issuing 7,329,112 (2013 – nil) common shares, of which 309,600 common shares were issued to settle interest payable related to the convertible debenture (notes 9, 11 and 13). Included in the $366,456 was $127,530 settled to related parties (notes 10, 11 and 13).

During the year ended July 31, 2014, a vendor forgave accounts payable in the amount of $8,770 (2013 - $nil) (notes 5 and 13).

During the year ended July 31, 2014, the Company wrote off accounts payable in the amount of $nil (2013 - $31,558) related to amounts that had remained unpaid for over a year without any claims being made by these creditors against the Company. Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future. This write down has been recorded as a recovery of expenses and a decrease in accounts payable (notes 13 and 18).

Included in accounts payable and accrued liabilities as at July 31, 2014 is $80,000 (2013 - $65,000) related to a commitment to make payments to Tektite pursuant to the terms of the Amended Agreement. As at July 31, 2014, the Company is in default related to certain terms of the Amended Agreement (notes 7 and 18).

The Company is in the process of completing certain of its income tax filings and has accrued $6,549 (2013 - $5,771) as at July 31, 2014 related to the subsidiary for potential tax, interest and penalties associated with these filings. However, there is no assurance that additional tax, interest and penalties will not be assessed (notes 14 and 18).

9. Convertible debenture

Pursuant to the Option Agreement, the Company assumed Musgrove's indebtedness and entered into a loan agreement (the "Loan Agreement") dated February 22, 2012 (note 7). Under the terms of the Loan Agreement, the Company issued a convertible debenture in the principal amount of $258,000 (the "Loan"). The Loan bears interest at a rate of 8% per annum, being $1,720 per month, calculated and payable monthly, is unsecured and matures on February 1, 2013. An initial fee of $7,749 was paid to the creditor as part of the Loan Agreement. The Company has the right to redeem, at any time, any portion of the principal amount outstanding by payment of that portion of the principal amount that is being redeemed to the creditor.

The creditor may convert the Loan, in whole and not in part, by providing notice (the "Conversion Notice") to the Company into common shares of the Company at a price of $1.30 per common share (the "Original Conversion Price") until February 1, 2013. Within 14 days following the receipt by the Company of the Conversion Notice, the Company has the options exercisable at its sole discretion to either: (i) issue that number of common shares to the creditor as set out in the Loan Agreement as above; (ii) direct the creditor to transfer the Loan to a third party by paying to the creditor 5% of the principal amount then outstanding; or (iii) redeem the principal amount by paying that portion of the principal amount being redeemed to the creditor.

(all amounts are expressed in Canadian dollars)

9. Convertible debenture (*continued)*

The Company may, at its option, extend the maturity date of February 1, 2013 for an additional 12 months by making a payment of 3% of the principal amount then outstanding to the creditor.

For accounting purposes, the Loan contains both a liability component and an equity component, being the creditor's conversion option to shares, which have been separately presented on the consolidated statement of financial position. The Company allocated the original $258,000 principal of the Loan to the individual liability and equity components by establishing the fair value of the liability component at the date of issue and then allocating the remaining balance of the net proceeds to the equity component. The fair value of the liability component was determined by discounting the stream of future payments of interest and principal amounts at the estimated prevailing market rate at the date of issuance of 10% for a debt instrument of similar maturity and credit quality but without any share conversion option for the lenders. Including the impact of the costs of issuance, applying the effective interest method, the liability component of the Loan bears an effective annual interest rate of 10%.

As at July 31, 2013, the Company was in default related to certain terms of the Loan Agreement. The Company accrued $7,740, being 3% of the outstanding principal amount, to extend the maturity date of the Loan to February 1, 2014 (the "Amended Maturity Date").

On February 1, 2014, the Amended Maturity Date was extended to December 31, 2014. On April 24, 2014, the maturity date of December 31, 2014 was extended to April 24, 2015. The Company incurred an extension fee of $20,000, of which $358 was allocated to common shares and the remaining amount of $19,642 to finance expense (note 11(c)). The conversion terms remained unchanged from the original agreement. The discounted present value of the cash flows under the new terms was not at least 10% different than the present value of the remaining cash flow of the original loan using the original effective interest rate. As such, the extensions of the term did not lead to an extinguishment of the debt.

On April 30, 2014, the Original Conversion Price was amended to $0.05 per common share. Under the new terms, a loss in the amount of $297,692, equal to the difference between the fair value of the consideration the holder receives on conversion under the revised terms and the fair value under the original terms, was recognized in profit or loss with a corresponding increase in equity (note 13).

During the year ended July 31, 2014, the Company accrued interest expense of $15,480 (2013 - $20,640) related to the Loan, of which $nil (2013 - $5,160) has been paid. In April 2014, the Company converted the principal amount into 5,160,000 common shares. The Company also settled interest payable by issuing 309,600 common shares (notes 8, 11(c) and 13).

The convertible debenture is made up as follows:

		2014		2013
Equity component (note 11)	$	-	$	4,691
Liability component, beginning of year		258,000		255,088
Accretion		-		2,912
Conversion		(258,000)		-
Liability component, end of year	$	-	$	258,000

(all amounts are expressed in Canadian dollars)

10. Related party transactions

The following amounts due to related parties are included in accounts payable and accrued liabilities (note 8):

		2014		2013
Companies controlled by executives of the Company	$	117,783	$	136,960

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended July 31, 2014, the Company settled certain amounts payable to related parties in the amount of $127,530 by issuing 2,550,600 common shares (notes 8, 11 and 13).

The Company incurred the following transactions with companies that are controlled by directors and officers of the Company:

		2014		2013
Short-term employee benefits – accounting, management, and consulting fees	$	76,625	$	205,850

The following amount due to a related party is included in current liabilities:

		2014		2013
Shareholder loan	$	86,263	$	76,798

The amount is unsecured, bears interest at 15% per annum and is repayable on July 31, 2014. During the year ended July 31, 2014, the Company accrued interest expense of $9,465 (2013 - $10,050). As at July 31, 2014, the Company is in default related to certain terms of the loan (notes 12, 13 and 18).

11. Share capital and reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value.

(b) Share consolidation:

On March 3, 2014, the Company consolidated its share capital on one (1) new common share without par value for every two (2) two common shares without par value. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (note 2).

(all amounts are expressed in Canadian dollars)

11. Share capital and reserves (*continued)*

(c) Issued:

Share capital:

Common shares	Number		Amount
Balance, July 31, 2012	8,075,108	$	3,293,812
Private placement	794,800		357,660
Share issuance costs	-		(30,936)
Balance, July 31, 2013	8,869,908	$	3,620,536
Issued on settlement of accounts payable	7,329,112		366,456
Issued on settlement of shareholder loans	280,000		14,000
Issued on conversion of convertible debenture	5,160,000		262,691
Transaction costs on convertible debenture	-		(358)
Balance, July 31, 2014	21,639,020	$	4,263,325

On July 3, 2014, the Company issued 7,329,112 common shares at $0.05 per share to certain vendors for the settlement of accounts payable, which included interest payable (notes 8, 9 and 13).

On July 3, 2014, the Company issued 5,160,000 common shares at $0.05 per share to the holder of the convertible debenture for settlement of the principal amount of the debenture. The balance of $4,691 under equity component of convertible debenture was reclassified to share capital upon conversion of the debenture (notes 9 and 13).

On July 3, 2014, the Company issued 280,000 common shares at $0.05 per share to a shareholder for settlement of shareholder loan (notes 12 and 13).
On August 15, 2012, a private placement consisted of 794,800 Units at a price of $0.50 per Unit for gross proceeds of $397,400 has been closed ($225,000 of the total proceeds were received during the year ended July 31, 2012). Each Unit consists of one Share and one-half of one Warrant. Each Warrant entitles the holder to acquire one additional common share of the Company at a price of $0.70 until August 15, 2014. The Company paid arm’s length finders a total cash commission of $23,750 and issued to the finders 47,500 Finder’s Warrants. Each Finder’s Warrant entitles the holder to purchase one common share of the Company at a price of $0.70 until August 15, 2014.

(all amounts are expressed in Canadian dollars)

11. Share capital and reserves (*continued)*

(d) Warrants:

The changes in warrants during the years ended July 31, 2014 and 2013 are as follows:

	July 31, 2014		**July 31, 2013**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of the year	444,900	$ 0.70	514,382	$ 1.70
Warrants granted	-	-	444,900	0.70
Warrants expired	-	-	(514,382)	1.70
Warrants outstanding, end of the year	444,900	$ 0.70	444,900	$ 0.70

The following table summarizes the warrants outstanding at July 31, 2014 (note 19):

Number of warrants	Exercise price	Expiry date
397,400	$ 0.70	Aug 15, 2014
47,500	$ 0.70	Aug 15, 2014
444,900		

(e) Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

(all amounts are expressed in Canadian dollars)

11. Share capital and reserves (*continued)*

The changes in options during the years ended July 31, 2014 and 2013 are as follows:

	July 31, 2014		July 31, 2013	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of year	-	$ -	745,000	$ 1.08
Options cancelled	-	-	(62,500)	0.50
Options cancelled	-	-	(200,000)	0.80
Options cancelled	-	-	(75,000)	1.06
Options cancelled	-	-	(22,500)	1.20
Options cancelled	-	-	(385,000)	1.30
Options outstanding, end of the year	-	$ -	-	$ -
Options exercisable, end of the year	-	$ -	-	$ -

The Company had no stock options outstanding as at July 31, 2014 or 2013.

(f) Loss per share

The calculation of basic and diluted loss per share for the year ended July 31, 2014 was based on the weighted average number of common shares outstanding of 9,884,440 (2013 – 8,838,116).

Diluted loss per share did not include the effect of 444,900 (2013 – 444,900) warrants as the effect would be anti-dilutive.

12. Shareholder loans

During the year ended July 31, 2014, the Company received a loan from a shareholder for $14,000 (2013 – $nil). The amount is unsecured, bears interest at 1% per month and is repayable on demand. The Company settled the loan by issuing 280,000 (2013 – nil) common shares as at July 31, 2014 (note 11(c)).

As at July 31, 2014, the Company has a shareholder loan outstanding in the amount of $86,263 (2013 - $76,798). The amount is unsecured, bears interest at 15% per annum and is repayable on July 31, 2014. During the year ended July 31, 2014, the Company accrued interest expense of $9,465 (2013 - $10,050). As at July 31, 2014, the Company is in default related to certain terms of the loan (notes 10, 13 and 18).

(all amounts are expressed in Canadian dollars)

13. Supplemental information with respect to cash flows

Changes in non-cash working capital

		2014		2013
Continuing Operations:				
Accounts receivable	$	(10,176)	$	79,025
Accounts payable and accrued liabilities		251,875		129,195
	$	241,699	$	208,220

The following cash payments have been made for the years ended July 31, 2014 and 2013:

		2014		2013
Taxes	$	-	$	-
Interest	$	-	$	5,160

During the year ended July 31, 2014, the Company wrote off accounts payable in the amount of $nil (2013 - $31,558) related to amounts that had remained unpaid for over a year without any claims being made by these creditors against the Company. Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future. This write down has been recorded as a recovery of expenses and a decrease in accounts payable (notes 8 and 18).

During the year ended July 31, 2014, a vendor forgave accounts payable in the amount of $8,770 (2013 - $nil) (notes 5 and 8).

During the year ended July 31, 2014, the Company issued 12,769,112 common shares for the settlement of accounts payable, a shareholder loan and the convertible debenture (notes 8, 9, 11 and 12).

During the year ended July 31, 2014, the Company accrued total interest expense of $24,945 (2013 - $30,690) related to the convertible debenture and shareholder loan (notes 9, 10 and 12).

During the year ended July 31, 2014, the Company wrote down $nil (2013 – write down of $2,326,764) related to the Charay Project and the Jazzy Mineral Concession (note 7).

During the year ended July 31, 2014, the Company recorded a loss in the amount of $297,692 (2013 - $nil) related to the modification of the Original Conversion Price related to the convertible debenture (note 9).

14. Income taxes

Income tax expense varies from the amount that would be computed by applying the expected basic federal and provincial income tax rates for Canada at July 31, 2014 at 27.79% (2013 – 27.38%) to income before income taxes.

(all amounts are expressed in Canadian dollars)

14. Income taxes (*continued)*

A reconciliation of the differences is as follows:

	2014	2013
Net loss before income taxes	$ (558,890)	$ (2,846,120)
Computed income taxes	(155,316)	(779,268)
Increase (decrease) in taxes:		
Permanent differences	103,412	23,703
Deductible share issue costs	(20,783)	(20,476)
Mineral property write off	-	637,068
Change in prior year provision to actual	1,487	(3,101)
Change in enacted tax rates	4,682	(2,650)
Unrecognized benefit of non-capital losses	66,518	144,724
Income tax recovery	$ -	$ -

The components of the deferred tax asset (liability) are as follows:

	2014	2013
Deferred income tax asset (liability):		
Non-capital loss carry forwards	$ 625,566	$ 539,603
Share issue costs	11,762	31,207
	637,328	570,810
Less: valuation allowance	(637,328)	(570,810)
Deferred income tax asset (liability)	$ -	$ -

The Company has Canadian non-capital losses carried forward for income tax purposes of approximately $2,406,021 (2013 - $2,075,399) which can be applied against future years' taxable income. These losses will expire through to 2034. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these consolidated financial statements. The Company has Mexican non-capital losses carried forward for income tax purposes of approximately $nil (2013 - $nil) which can be applied against future years' taxable income, the benefit of which has been recognized.

The Company is in the process of completing certain of its income tax filings and has accrued $6,549 (2013 - $5,771) as at July 31, 2014 related to the subsidiary for potential tax, interest and penalties associated with these filings. However, there is no assurance that additional tax, interest and penalties will not be assessed (notes 8 and 18).

15. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

15. Financial risk management (*continued)*

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable sales tax, value-added taxes and tax credit receivable.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at July 31, 2014, the Company's liabilities consisted of accounts payable and accrued liabilities of $696,498, and a shareholder loan of $86,263. The Company's cash and cash equivalents of $3,657 at July 31, 2014, are not sufficient to pay these liabilities. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As at July 31, 2014, the entire Company's non-derivative financial liabilities are due within one year.

15. Financial risk management (*continued)*

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican Pesos and US dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in Mexican Pesos and US dollars:

	2014	2013
Cash and cash equivalents	$ 1,717	$ 1,926
Accounts payable and accrued liabilities	$ 261,018	$ 268,320

As at July 31, 2014, with other variables unchanged, a +/- 10% change in the foreign currency to Canadian dollar exchange rate would impact the Company's net loss by $25,930 (2013 - $26,639).

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk. As at July 31, 2014, with other variables unchanged, a +/- 1% change in interest rates would impact the fair value of convertible debenture by $nil (2013 - $1,077).

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks at July 31, 2014 and 2013.

(all amounts are expressed in Canadian dollars)

15. Financial risk management (*continued)*

(d) Fair value of financial instruments

Financial instruments included in the statements of financial position are measured at fair value upon initial recognition and are adjusted to their fair value at July 31, 2014. The carrying amount of financial instruments classified as current approximates fair value due to their short-term to maturity. Long-term debt was initially measured at fair value and subsequently recorded at amortized cost using the effective interest rate method.

		2014		2013
Financial assets				
FVTPL, at fair value				
Cash and cash equivalents	$	3,657	$	6,993
Total financial assets	$	3,657	$	6,993

		2014		2013
Financial liabilities				
Other liabilities, at amortized cost				
Accounts payable	$	674,498	$	793,023
Shareholder loan		86,263		76,798
Convertible debenture		-		258,000
Total financial liabilities	$	760,761	$	1,127,821

Fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. For the purposes of estimating the fair value of derivative contracts, quoted market prices are utilized and if not available, estimates from third party brokers. These broker estimates are corroborated with external sources or observable market data using assumptions that market participants would use when pricing the asset or liability. In the absence of quoted market prices and broker estimates, fair value is determined upon valuation models. Fair values determined by valuation models require the use of assumptions. In developing assumptions, the Company uses external readily observable market inputs. In circumstances market inputs are not available, the Company uses input data that is not based upon market data.

The Company classifies fair value of derivatives according to the following hierarchy on the amount of observable inputs used to value the instruments.

Level I – Quoted prices are available in active markets for identical assets or liabilities at the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on a consistent basis. These derivatives include financial instruments traded on merchant exchanges.

(all amounts are expressed in Canadian dollars)

15. Financial risk management (*continued)*

Level II – Pricing inputs used are other than prices in active markets included in Level I. Fair values in Level II are determined by using quoted market prices in active markets and adjusted for factors specific to the asset or liability. Level II valuations are based on inputs, including quoted forward prices for commodities and interest rates, time value, volatility factors and broker quotations, which can be substantially observed or corroborated in the market place for over-the-counter derivatives.

Level III – Fair values are determined using inputs for the asset or liability that are not readily observable or are unavailable. These derivatives may include items based upon pricing services or broker quotes where the observations of inputs are unavailable to the Company. In these instances, internal methodologies are used to determine fair value with inputs based upon historical data, forward pricing curves, time value of money, and market risk including counterparty default.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level I to III based on the degree to which the inputs used to determine the fair value are observable.

As at July 31, 2014	Level I	Total
Financial assets at fair value		
Cash and cash equivalents	$ 3,657	$ 3,657

As at July 31, 2013	Level I	Total
Financial assets at fair value		
Cash and cash equivalents	$ 6,993	$ 6,993

16. Capital disclosures

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:

(a) to safeguard the Company's ability to continue as a going concern and provide returns for shareholders; and

(b) to facilitate the acquisition or development of projects in Canada consistent with the growth strategy of the Company.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results.

(all amounts are expressed in Canadian dollars)

16. Capital disclosures (*continued)*

The Company considers the following items capital:

(a) convertible debentures net of cash;
(b) shareholder loan; and
(c) shareholders' equity (deficiency).

The following table represents the net capital of the Company:

	2014	2013
Convertible debenture	$ -	$ 258,000
Shareholder loan	86,263	76,798
Less: Cash	(3,657)	(6,993)
Net debt net of cash	82,606	327,805
Shareholders' deficiency	(750,803)	(1,127,703)
Total capital	$ (668,197)	$ (799,898)

The Company does not have any externally imposed requirements on its capital.

There have been no changes in the Company's approach to capital management from the previous years.

17. Segmented information

At July 31, 2014, the Company operates in two geographical areas, being Canada and Mexico and corporate administrative activities are conducted in Canada. Discontinued operations consist of operations conducted by the Company's wholly-owned subsidiary (note 5).

The following is an analysis of the revenues, net income (loss), total assets and liabilities by reportable segment:

As at July 31, 2014	Canada	Discontinued operations	Total
Net income (loss) and comprehensive income (loss) for the year	$ (565,983)	$ 7,093	$ (558,890)
Current assets	30,241	1,717	31,958
Exploration and evaluation assets	-	-	-
Total liabilities	521,743	261,018	782,761

As at July 31, 2013	Canada	Discontinued operations	Total
Net loss and comprehensive loss for the year	(2,234,768)	(611,352)	(2,846,120)
Current assets	23,192	1,926	25,118
Exploration and evaluation assets	-	-	-
Total liabilities	884,501	268,320	1,152,821

18. Commitments and contingencies

Included in accounts payable and accrued liabilities as at July 31, 2014 is $80,000 (2013 - $65,000) related to a commitment to make payments to Tektite pursuant to the terms of the Amended Agreement. As at July 31, 2014, the Company is in default related to certain terms of the Amended Agreement (notes 7 and 8).

As at July 31, 2014, the Company is in default related to certain terms of the shareholder loan. The Company is in the process of renegotiating the terms with the creditor (notes 10 and 12).

During the year ended July 31, 2013, the Company had commenced a claim against a third party regarding an acquisition of certain mineral rights. The pleadings have closed and the parties are in the process of conducting document discovery. The Company had claimed return of a deposit paid during the year ended July 31, 2013 as well as general punitive damages for, among other causes, fraudulent misrepresentation and breach of contract. During the year ended July 31, 2014, the Company received $12,000 for settlement.

During the year ended July 31, 2014, the Company wrote off accounts payable in the amount of $nil (2013 - $31,558) related to amounts that had remained unpaid for over a year without any claims being made by these creditors against the Company. Management does not consider that these amounts are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these balances in the future. This write down has been recorded as a recovery of expenses and a decrease in accounts payable (notes 8 and 13).

The Company is in the process of completing certain of its income tax filings and has accrued $6,549 (2013 - $5,771) as at July 31, 2014 related to the subsidiary for potential tax, interest and penalties associated with these filings. However, there is no assurance that additional tax, interest and penalties will not be assessed (notes 8 and 14).

19. Subsequent events

On August 15, 2014, 444,900 warrants with an exercise price of $0.70 expired (note 11).

On October 15, 2014, the Company issued 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000.

Interim Financial Statements of

WESTRIDGE RESOURCES INC.

January 31, 2017

Expressed in Canadian Dollars

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

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

WESTRIDGE RESOURCES INC.
Statements of Financial Position
Expressed in Canadian dollars

	Note	January 31, 2017	July 31, 2016
		$	$
ASSETS			
Current			
Cash		148,772	11
Receivables	5	3,682	2,039
Total current assets		152,454	2,050
Total assets		152,454	2,050
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	52,233	400,155
Due to related parties	8	6,382	52,597
Loans payable	7	-	128,125
Total current liabilities		58,615	580,877
SHAREHOLDERS' DEFICIENCY			
Share capital	9	4,858,325	4,363,325
Share subscription advances		155,000	-
Reserves	9	1,212,747	879,921
Deficit		(6,132,233)	(5,822,073)
Total shareholders' deficiency		93,839	(578,827)
Total liabilities and shareholders' deficiency		152,454	2,050

Nature and continuance of operations (Note 1)

On behalf of the Board of Directors:

"Chris Cooper" Director *"Michael Young"* Director

WESTRIDGE RESOURCES INC.
Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Note	Three months ended January 31, 2017	Three months ended January 31, 2016	Six months ended January 31, 2017	Six months ended January 31, 2016
		$	$	$	$
Expenses					
Accounting and audit		1,425	5,920	3,200	5,920
Consulting fees	8	16,500	7,900	22,500	7,900
Expense recovery		(82,702)	-	(82,702)	-
Finance charges		-	-	3,103	-
Management fees	8	17,410	6,000	21,910	9,000
Office and miscellaneous		3,483	545	3,511	737
Share based payments		332,826	-	332,826	-
Shareholder communications		2,500	-	2,500	-
Transfer agent and filing fees		655	3,080	3,312	3,466
Net loss from continuing operations		(292,097)	(23,445)	(310,160)	(27,023)
Net loss for the period		(292,097)	(23,445)	(310,160)	(27,023)
Basic and diluted loss per common share		(0.01)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding, basic and diluted		25,575,978	23,639,020	23,828,506	23,639,020

WESTRIDGE RESOURCES INC.
Statement of Changes in Deficiency
Expressed in Canadian dollars

	Number of Common shares	Amount	Reserves	Share subscription advances	Deficit	Deficiency
		$	$	$	$	$
July 31, 2015	23,639,021	4,363,325	879,921		(5,753,924)	(510,678)
Loss for the period	-	-	-		(27,023)	(27,023)
January 31, 2016	23,639,021	4,363,325	879,921		(5,780,947)	(537,701)
Loss for the period	-	-	-		(41,126)	(41,126)
July 31, 2016	23,639,021	4,363,325	879,921		(5,822,073)	(578,827)
Share subscription advances	-	-	-	155,000	-	155,000
Share issuance	400,000	20,000	-	-	-	20,000
Shares for debt issuance	9,500,000	475,000		-	-	475,000
Share based payments	-	-	332,826	-	-	332,826
Loss for the period	-	-	-	-	(310,160)	(310,160)
January 31, 2017	33,539,021	4,858,325	1,212,747	155,000	(6,132,233)	93,839

WESTRIDGE RESOURCES INC.
Statement of Cash Flows
Expressed in Canadian dollars

	Note	January 31 2017	January 31 2016
		$	$
Cash flow provided by (used in)			
Operating activities			
Net loss for the period		(310,160)	(27,023)
Adjustment for non-cash items			
Accrued interest		3,103	-
Share based payments		332,826	-
Expense recovery		(82,702)	-
Changes in non-operating working capital items:			
Receivables		(1,643)	103
Accounts payable and accrued liabilities		10,160	11,294
Due to related parties		22,177	(4,358)
Net cash used in operations		(26,239)	(19,984)
Financing activities			
Subscription advances		155,000	-
Proceeds from loans - related		-	20,200
Proceeds received from shares issuance		20,000	-
Net cash provided in financing activities		175,000	20,200
Increase (decrease) in cash in the period		148,761	216
Cash, beginning of period		11	213
Cash, end of period		148,772	429

1. Nature and continuance of operations

Westridge Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on July 31, 2007. The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. The Company traded on the TSX Venture Exchange, but has been relegated to the NEX Exchange and trades under the stock symbol WST. The head office, principal and registered address and records office of the Company are located at Suite 250 - 900 Howe Street, Vancouver, B.C V6Z 2M4.

The consolidated financial statements were authorized for issue on April 3, 2017 by the Board of Directors of the Company.

2. Basis of preparation

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2017, the Company had not advanced any exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuation as a going concern is dependent upon the successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy during the quarter ending January 31, 2017. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As at January 31, 2017, the Company had cash of $148,772 (July 31, 2016 - $11), a net working capital of $93,839 (July 31, 2016 - deficiency of $578,827) and an accumulated deficit of $6,132,233 (July 31, 2016 - $5,822,073) since inception and expects to incur further losses.

3. Significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below.

These accounting policies have been used throughout all periods presented in the financial statements.

(a) Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Share-based payments

Share-based payments are determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant. The Black-Scholes Option Pricing Model utilizes assumptions such as expected price volatility, the expected life of the option and the number of options that may be forfeited. Changes in these input assumptions may affect the fair value estimate.

Deferred taxes

The Company recognizes the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

(b) Consolidation

During the fiscal year ended July 31, 2015, the Company dissolved its 100% wholly owned Mexican subsidiary, Minera Westridge S.A. de C.V., and accordingly, the January 31, 2017 and 2016 financial statements are not consolidated.

3. Significant accounting policies

(c) Non-currents assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured at the lower of their carrying amount and fair value less costs to sell, with impairments recognized in the statements of income in the period measured. Non-current assets or disposal groups held for sale are presented in current assets and liabilities within the balance sheet. Assets or disposal groups held for sale are not depleted, depreciated or amortized. Liabilities associated with assets held for sale are presented separately from the Company's other liabilities.

Assets or disposal groups are classified as held-for-sale when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. For the sale to be highly probable management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. The asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.

A discontinued operation is a component of the Company that has either been disposed of or that is classified as held for sale. A component of the Company is comprised of operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Net earnings of a discontinued operation and any gain or loss on disposal are combined and presented as net earnings from discontinued operations in the statements of earnings (loss) and comprehensive earnings (loss).

(d) Foreign currency translation

The functional currency of the Company is the Canadian dollar, and the financial statements are presented in Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

3. Significant accounting policies

(e) Convertible debenture

The convertible debenture was initially recorded at fair value and subsequently measured at amortized cost. The convertible debenture was allocated between the debt and equity components using the residual method at the date of issuance and is recorded net of transaction costs. The debt component is accreted to the face value using the effective interest method, with the resulting charge recorded as accretion on convertible debenture, which is included in interest on convertible loan in the statement of operations.

In instances where the Company issues equity instruments to settle all or a part of the outstanding debt, the equity instruments are treated as consideration paid and are measured initially at fair value of the equity instruments issued, or when not reliably measurable, at the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss. If the financial liability is not fully extinguished, and terms related to the remaining portion have been modified, the Company allocates the consideration paid between the extinguished portion and the modified portion.

(f) Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using a Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Financial instruments

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held to maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

3. Significant accounting policies

Loans and receivables

Loans and receivables are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale ("AFS")

Non derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

Other financial liabilities

An obligation is initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost, using the effective interest method.

The Company has classified its financial instruments as follows:

(a) Cash is classified as FVTPL.

(b) Accounts receivable are classified as loans and receivables.

(c) Accounts payable and accrued liabilities, due to related parties and loans payable are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the 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 - quoted prices in active markets for identical assets or liabilities.

Level 2 - 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. from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

Cash is measured at fair value using level 1 inputs.

Comprehensive income (loss)

Comprehensive income (loss) is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources, such as any unrealized gains and losses in financial assets classified as AFS. The Company had no other comprehensive income (loss) transactions during the periods ended January 31, 2017 and 2016.

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 assets, the estimated future cash flows of the investments have been impacted.

3. Significant accounting policies

For all financial assets objective evidence of impairment could include:

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

For certain categories of financial assets, such as accounts receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. 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 profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(h) Income taxes

Current tax:

Current tax assets and liabilities for the current period 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 reporting date, in the countries where the Company operates and generates taxable income.

Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting policies

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options granted.

(j) Contingencies

Contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(k) Related party transactions

Parties are considered 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 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.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction/development or exploration of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(m) Provisions

Liabilities 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. A provision is a liability of uncertain timing or amount.

Provisions are measured as the expenditure expected to be required to settle the obligation at the reporting date. In cases where it is determined that the effects of the time value of money are significant, the 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 the current market assessment of the time value of money and the risks specific to the obligation.

(n) Debt modifications and extinguishments

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

(Expressed in Canadian dollars)

4. Adoption of New Accounting Pronouncements and Recent Developments

The following new standards, and amendments to standards and interpretations, are not yet effective for the current period and have not been applied in preparing these financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below

i) *IFRS 9 – Financial Instruments: Classification and Measurement*

Applies to classification and measurement of financial assets and liabilities as well as derecognition of financial instruments. IFRS 9 will replace IAS 39. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

ii) *IFRS 15 – Revenue from Contracts with Customers*

Supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

iii) *IFRS 16 - Leases*

Will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019, but earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. The Company is assessing the impact of this new standard, if any, on the consolidated financial statements.

5. Receivables

	January 31, 2017	July 31, 2016
Recoverable sales taxes	$ 3,682	$ 2,039

(Expressed in Canadian dollars)

6. Accounts payable and accrued liabilities

		January 31, 2017		July 31, 2016
Accounts payable	$	43,533	$	390,655
Accrued liabilities		8,700		9,500
	$	52,233	$	400,155

7. Loans Payable

Loans payable to unrelated parties at January 31, 2017 was $nil (July 31, 2016 - $128,125). The loans consist of two separate loans the details of which are as follows:

a) Demand loan of $67,000, past due since August 20, 2013; bearing interest at 15% per annum. Total interest and principal owing as at January 31, 2017 - $nil (July 31, 2016 - $106,325).

b) Demand loan of $20,000, bearing interest at 1% per month. Total interest and principal outstanding as at January 31, 2017 - $nil (July 31, 2016 - $21,800).

8. Related party transactions and balances

The Company incurred key management compensation as follows:

Six months ended January 31		2017		2016
Management fees accrued or paid to CEO, CFO and director	$	20,000	$	9,000
Consulting fees accrued or paid to a director		22,500		-
Total	$	42,500	$	9,000

As at January 31, 2017, trade payables due to officers and directors and companies controlled by them is $6,382 (July 31, 2016 -$45,773).

As at January 31, 2017, loans payable to officers and directors and companies controlled by them is $nil (July 31, 2016 –$6,824).

The amounts are unsecured and do not bear interest. The loans are payable on demand.

(Expressed in Canadian dollars)

9. Share capital and reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value.

(b) Issued

As at January 31, 2017, there are 33,539,021 (July 31, 2016 - 23,639,021) issued and outstanding common shares.

(c) Share transactions

On January 13, 2017, the Company issued 9,500,000 common shares of the Company at a deemed price of US$0.05 per share for settlement of CAD$475,000.00 of debts

Also on January 13, 2017, the Company completed a private placement of 400,000 units at a price of $0.05 per unit for gross proceeds of $20,000. Each Unit will consist of one common share of the Company and one full share purchase warrant, each full warrant entitling the holder thereof to purchase, for a period of 12 months from the date of issuance, one additional common share of the Company at a price of $0.10 per share.

(d) Share purchase warrants

	January 31, 2017			July 31, 2016		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of the period	-	$	-	444,900	$	0.70
Warrants issued	400,000		0.10			
Warrants expired	-	$	-	(444,900)	$	(0.70)
Warrants outstanding, end of the period	400,000	$	0.10	-	$	-

As detailed above in the “share transaction” section, the Company issued 400,000 warrants entitling the holder thereof to purchase, for a period of 12 months from the date of issuance, one additional common share of the Company at a price of $0.10 per share.

(e) Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company’s stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

(Expressed in Canadian dollars)

9. Share capital and reserves (cont'd)

The following stock options were outstanding and exercisable as at January 31, 2017:

	January 31, 2017	
	Number of Options	Weighted average exercise price
Outstanding, beginning of the year	-	$ -
Granted	2,150,000	0.18
Outstanding, end of the year	2,150,000	$ 0.18

Number of options	Exercise price	Expiry date
500,000	$0.10	January 16, 2022
850,000	0.17	January 17, 2022
600,000	0.25	January 18, 2022
200,000	0.25	January 27, 2022
2,150,000	$0.18	

(f) Reserves

Reserves relates to stock options, agent's unit options, and compensatory warrants that have been issued by the Company. The Company uses the Black-Scholes valuation model to value stock options.

Share-based payments recognized and expensed during the six month period ending January 31, 2017 was $332,826 (2016 - $nil).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted or vested during the six month period ending January 31, 2017 and 2016:

	January 31, 2017	January 31, 2016
Risk-free interest rate	1.11%	-
Expected life of options	5 years	-
Annualized volatility	133.44%	-
Dividend rate	-	-

(g) Loss per share

The calculation of basic and diluted loss per share for the six months ended January 31, 2017 was $0.01 (2016 - $nil) based on the weighted average number of common shares outstanding of 23,828,506 (2016 - 23,639,021).

10. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. This risk is minimal as receivables consist solely of refundable sales taxes.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at January 31, 2017, the Company's liabilities consisted of accounts payable and accrued liabilities of $52,233 (July 31, 2016 - $400,155), due to related parties of $6,382 (July 31, 2016 - $52,597) and loans payable of $nil (July 31, 2016 - $128,125). The Company's cash was $148,772 at January 31, 2017, (July 31, 2016 – $11) and are sufficient to pay these liabilities.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant funding.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars and has dissolved its Mexican subsidiary.

10. Financial risk management (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. 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 subjected to interest rate risk.

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

11. Capital disclosures

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:

(a) to safeguard the Company's ability to continue as a going concern and provide returns for shareholders; and

(b) to facilitate the acquisition or development of projects in Canada consistent with the growth strategy of the Company.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company considers convertible debentures net of cash, shareholder loans; and shareholders' equity (deficiency) to be capital. The Company does not have any externally imposed requirements on its capital.

There have been no changes in the Company's approach to capital management from the previous years.

12. Segmented information

At January 31, 2017, the Company operates in only one reporting segment, Canada.

13. Subsequent event

On February 6, 2017, the Company announced the closing of a non-brokered private placement of 1,400,000 units at a price of $0.25 per unit for gross proceeds of $350,000. Each Unit will consist of one common share of the Company and one full share purchase warrant, each full warrant entitling the holder thereof to purchase, for a period of 12 months from the date of issuance, one additional common share of the Company at a price of $0.35 per share. Proceeds of the offering will be used for general working capital.