JDF Explorations Inc.
Consolidated Financial Statements
For the Nine Month Period Ended 30 April 2015
(Expressed in Canadian dollars)

JAMES STAFFORD

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of JDF Explorations Inc.

We have audited the accompanying consolidated financial statements of JDF Explorations Inc. which comprise the consolidated statements of financial position as at 30 April 2015 and 31 July 2014 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the nine month period ended 30 April 2015 and the period from the date of incorporation on 9 May 2014 to 31 July 2014, 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 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 JDF Explorations Inc. as at 30 April 2015 and 31 July 2014 and the results of its operations and its cash flows for the nine month period ended 30 April 2015 and the period from the date of incorporation on 9 May 2014 to 31 July 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 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 JDF Explorations Inc. to continue as a going concern.

Chartered Professional Accountants
Vancouver, Canada
27 August 2015

JDF Explorations Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at 30 April 2015 $	As at 31 July 2014 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**64,964**	**-**
Amounts receivable	5	**-**	1
Total assets		**64,964**	1
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	6	**57,941**	1,500
Total liabilities		**57,941**	1,500
Equity			
Common shares	7	**75,000**	1
Deficit		**(67,977)**	(1,500)
Total equity		**7,023**	(1,499)
Total equity and liabilities		**64,964**	1

Nature of Operations and Going Concern (Note 1), **Commitments** (Note 13) and **Subsequent Events** (Note 14)

APPROVED BY THE BOARD:

"Randy Schuler"

Randy Schuler, Director

"Derick Sinclair"

Derick Sinclair, Director

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

JDF Explorations Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	**For the nine month period ended 30 April 2015 $**	For the period from the date of incorporation on 9 May 2014 to 31 July 2014 $
Bank fees		**36**	**-**
Consultants		**2,167**	**-**
Investor relations		**3,233**	**-**
Listing fees		**52,617**	**-**
Office supplies		**95**	**-**
Professional fees		**5,543**	1,500
Transfer agent fees		**473**	**-**
Travel		**263**	**-**
Website		**2,050**	**-**
Net loss and comprehensive loss for the period		**(66,477)**	(1,500)
Loss and comprehensive loss per share			
Basic	9	**(0.2412)**	(1,500)
Diluted	9	**(0.2412)**	(1,500)

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

JDF Explorations Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the nine month period ended 30 April 2015 $	For the period from the date of incorporation on 9 May 2014 to 31 July 2014 $
OPERATING ACTIVITIES		
Loss before tax	**(66,477)**	(1,500)
Operating cash flows before movements in working capital:		
Increase in trade and other payables	**56,441**	1,500
Cash used in operating activities	**(10,036)**	**-**
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**75,000**	**-**
Cash from financing activities	**75,000**	**-**
Increase in cash and cash equivalents	**64,964**	**-**
Cash and cash equivalents, beginning of period	-	**-**
Cash and cash equivalents, end of period	**64,964**	**-**

Supplemental cash flow information (Note 12)

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

JDF Explorations Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of shares	Common shares $	Deficit $	Total $
Balances, 9 May 2014 (incorporation)	-	-	-	-
Shares issued for cash	1	1	-	1
Net loss for the period	-	-	(1,500)	(1,500)
Balance, 31 July 2014	1	1	(1,500)	(1,499)
Shares issued for cash	750,000	75,000	-	75,000
Shares cancelled	(1)	(1)	-	(1)
Net loss for the period	-	-	(66,477)	(66,477)
Balance, 30 April 2015	**750,000**	**75,000**	**(67,977)**	**7,023**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

JDF Explorations Inc. (the "Company" or "JDFE") is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold, precious metals and base metal properties. The Company was incorporated on 9 May 2014 under the name of 1001875 B.C. Ltd. On 14 August 2014, the Company changed its name to JDF Explorations Inc.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake exploration and development of mineral properties. Management believes that financing is available and may be sourced in time to allow the Company to commence its planned activities in the normal course.

The head office, principal address of the Company is located at 600 – 666 Burrard Street, Vancouver, British Columbia, Canada.

On 8 August 2014, the Company established a wholly owned subsidiary, 1010309 B.C. Ltd. (the "Subsidiary").

On 21 May 2015, the Company completed a three-corner amalgamation and changed its fiscal year end to 30 April 2015 (Notes 13 and 14).

1.1 GOING CONCERN

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 30 April 2015, the Company had cash and cash equivalents of $64,964. Existing funds on hand at 30 April 2015 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the coming year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to acquire mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, acquiring exploration and evaluating properties and/or generating profits from operations or the disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The Company consolidates subsidiaries controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements include the accounts of the Company and the Subsidiary. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies, in all material aspects.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 11, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting period ended 30 April 2015.

2.4 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 nine month period ended 30 April 2015.

- IFRS 7 *'Financial Instruments: disclosures'* clarifies whether a servicing contract is continuing involvement in a transferred financial asset. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IFRS 9, *'Financial Instruments'*: 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. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

    - Financial assets meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
    - Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
    - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
    - The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the "business model" test and "cash flow characteristics" test.
    - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

    The amendments are effective for annual periods beginning on or after 1 January 2018.

- IFRS 10 *'Consolidated Financial Statements'* clarifies the conditions for a parent to present consolidated financial statements for investment entities, and treatment for loss of control of a subsidiary that does not contain a business. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IAS 1 *'Presentation of Financial Statements'* is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting 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, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income 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. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to fair value measurements for financial instruments, recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and/or short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3.3 Taxation

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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 the tax rates that have been enacted or substantively enacted at the reporting date.

3.4 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.5 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade and other payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.6 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.7 Derecognition of financial assets and liabilities

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

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

3.8 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.
An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.9 Related party transactions

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

3.10 Changes in accounting policies

The IASB issued a number of new and revised IASs, IFRSs, amendments and related IFRICs which are effective for the Company's financial period beginning on 1 August 2014.

Effective 1 August 2014, the Company adopted the following standards, amendments and/or interpretations:

- IFRS 7 '*Financial instruments: disclosures'* and IAS 32 *'Financial instruments: presentation*' are amendments to clarify that financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The amendments to IAS 32, issued in December 2011, clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

- IFRS 10 *'Consolidated Financial Statements'* is an amendment to include an exception to specific consolidation requirements for investment entities.

- 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 adoption of the above standards, amendments and/or interpretations did not result in a material impact on the Company's consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

As at	**30 April 2015 $**	31 July 2014 $
Denominated in Canadian dollars	**64,964**	-
Total cash and cash equivalents	**64,964**	-

5. AMOUNTS RECEIVABLE

Amounts receivable at 31 July 2014 included an amount due from a shareholder, the incorporator of the Company. On 31 March 2015, the balance due from shareholder was reduced to $Nil upon the cancellation of the incorporator's common share (Note 7).

6. TRADE AND OTHER PAYABLES

The Company's trade payables and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to general and administrative activities. The usual credit period taken for trade purchases is between 30 to 90 days. These are broken down as follows:

As at	**30 April 2015 $**	31 July 2014 $
Trade payables	**51,441**	**-**
Accrued liabilities	**6,500**	1,500
Total trade and other payables	**57,941**	1,500

7. SHARE CAPITAL

7.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

At 30 April 2015 the Company had 750,000 common shares outstanding (31 July 2014: 1).

7.2 Shares issuances

During the period from the date of incorporation on 9 May 2014 to 30 April 2015, the Company issued common shares as follows:

On 9 May 2014, the Company issued 1 common share to the incorporator for proceeds of $1 (Note 5).

On 15 December 2014, the Company issued 250,000 common shares at $0.10 per share for proceeds of $25,000.

On 28 January 2015, the Company issued 150,000 common shares at $0.10 per share for proceeds of $15,000.

On 3 February 2015, the Company issued 150,000 common shares at $0.10 per share for proceeds of $15,000.

On 20 February 2015, the Company issued 200,000 common shares at $0.10 per share for proceeds of $20,000.

On 31 March 2015, the Company cancelled 1 common share held by the incorporator (Note 5).

8. TAXES

8.1 Provision for income taxes

	For the nine month period ended 30 April 2015 $	For the period from the date of incorporation on 9 May 2014 to 31 July 2014 $
Loss before tax	**(66,477)**	(1,500)
Statutory tax rate	**26.00%**	26.00%
Expected tax recovery	**17,284**	390
Change in valuation allowance	**(17,284)**	(390)
Tax recovery for the period	-	**-**

8.2 Deferred tax balances

The tax effects of temporary differences that give rise to future income tax assets and liabilities are as follows:

As at	**30 April 2015 $**	31 July 2014 $
Tax loss carry-forwards	**17,674**	390
Valuation allowance	**(17,674)**	(390)
Deferred tax assets (liabilities)	-	**-**

8.3 Expiry dates

The Company's recognized and unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

As at 30 April	2015 $
Non-capital losses	
2034	**1,500**
2035	**66,477**
Total non-capital losses	**67,977**
Total capital losses, no expiry	-
Total resource-related deduction, no expiry	-

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	For the nine month period ended 30 April 2015 $	For the period from the date of incorporation on 9 May 2014 to 31 July 2014 $
Net loss for the period	**(66,477)**	(1,500)
Weighted average number of shares – basic and diluted	**275,642**	1
Loss per share, basic and diluted	**(0.2412)**	(1,500)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year/period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, share purchase warrants and convertible debentures, in the weighted average number of common shares outstanding during the period, if dilutive.

10. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, including the development and exploration of mineral properties once acquired.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

As at 30 April 2015, the Company's capital structure consists of the equity of the Company (Note 7). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at 30 April 2015 the Company's available capital resources, consisting of cash and cash equivalents, total $64,964. As at 30 April 2015, the Company's total liabilities are $57,941.

11. FINANCIAL INSTRUMENTS

11.1 Categories of financial instruments

As at	**30 April 2015 $**	31 July 2014 $
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	**64,964**	**-**
Amounts receivable	-	1
Total financial assets	**64,964**	1
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	**51,441**	**-**
Total financial liabilities	**51,441**	**-**

11.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

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 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 July 2014 and as at 30 April 2015, the Company does not have any Level 3 financial instruments.

As at 30 April 2015	**Level 1** **$**	**Level 2** **$**	**Total** **$**
Financial assets at fair value			
Cash and cash equivalents	**64,964**	-	**64,964**
Total financial assets at fair value	**64,964**	-	**64,964**

As at 31 July 2014	Level 1 $	Level 2 $	Total $
Financial assets at fair value			
Amounts receivable	1	-	1
Total financial assets at fair value	1	-	1

There were no transfers between Level 1 and 2 in the nine month period ended 30 April 2015.

11.3 Management of financial risks

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. The Company is not exposed to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at 30 April 2015 the Company had cash of $64,964 (31 July 2014 - $Nil) to settle trade payables totaling $57,941 (31 July 2014 - $1,500). All of the Company's financial liabilities have contractual maturities of 30 to 90 days and are subject to normal trade terms.

Foreign exchange risk

The Company does not have significant foreign exchange risk as the majority of its transactions are in Canadian dollars.

Interest rate risk

The Company is not exposed to significant interest rate risk.

12. SUPPLEMENTAL CASH FLOW INFORMATION

12.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

	For the nine month period ended 30 April 2015 $	For the period from the date of incorporation on 9 May 2014 to 31 July 2014 $
Interest paid	-	-
Taxes paid	-	-
Total cash payments	-	-

13. COMMITMENTS

As at 30 April 2015, the Company had the following commitments:

- The Company is committed to issuing common shares to the shareholders of Auxellence Health Corporation ("Auxellence") pursuant to the completion of the plan of arrangement dated 12 May 2014 with Auxellence (the "Arrangement") (Note 14).

- The Company is committed to completing a three-corner amalgamation with Juan De Fuca Resources Corp. ("Juan") and the Subsidiary (the "Amalgamation") for the purposes of listing with a Canadian stock exchange, pursuant to an agreement dated 17 September 2014 (the "Agreement"). As part of the Amalgamation, the Company and Juan are to complete a share exchange on a 1:1 basis, and Juan and the Subsidiary are to amalgamate and continue as one corporation to be named "Juan De Fuca Resources Corp." which, in turn will become a subsidiary of the Company (Note 14).

14. SUBSEQUENT EVENTS

The following events occurred subsequent to 30 April 2015:

On 11 May 2015, the Company issued 1,010,549 common shares to the shareholders of Auxellence pursuant to the Arrangement (Note 13).

On 11 May 2015, the Company issued 38,552,500 common shares to the shareholders of Juan in exchange for 38,552,500 of their shares in Juan pursuant to the Agreement (Note 13).

On 21 May 2015, the amalgamation between Juan and the Subsidiary was completed (Note 13).

On 24 August 2015, the Company's common shares became listed on the Canadian Stock Exchange.

15. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the nine month period ended 30 April 2015 were approved and authorized for issue by the Board of Directors on 27 August 2015.