VOLTAIC MINERALS

(formerly Prima Diamond Corp.)

Condensed Interim Financial Statements

For the Nine Months Ended July 31, 2016

(Unaudited - Expressed in Canadian Dollars)

The accompanying condensed interim financial statements of Voltaic Minerals Corp. (formerly Prima Diamond Corp.) for the nine months ended July 31, 2016, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Voltaic Minerals Corp.
(formerly Prima Diamond Corp.)
Condensed Interim Statements of Financial Position
Expressed in Canadian dollars
(Unaudited – prepared by management)

		July 31, 2016		October 31, 2015
Assets				
Current				
Cash and cash equivalents	$	**243,119**	$	2,417
GST receivable		**7,258**		1,986
Prepaid expenses		**26,840**		-
		277,217		4,403
Exploration and evaluation assets (Note 4)		**499,551**		707,292
	$	**776,768**	$	711,695
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**46,445**	$	220,645
Loan payable (Note 5)		**-**		157,230
Due to related parties (Note 8)		**-**		623,648
		46,445		1,001,523
Shareholders' Equity				
Share capital (Note 6)		**8,088,108**		2,616,548
Reserves (Note 7)		**854,071**		325,574
Deficit		**(8,211,856)**		(3,231,950)
		730,323		(289,828)
	$	**776,768**	$	711,695

Approved and authorized by the Board of Directors on September 21, 2016:

"Darryl Jones" — President

"Sean Charland" — Director

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

Voltaic Minerals Corp.

(formerly Prima Diamond Corp.)
Condensed Interim Statements of Operations and Comprehensive Loss
Expressed in Canadian dollars
(Unaudited – prepared by management)

	Three months ending July 31, 2016	Three months ending July 31, 2015	**Nine months ending July 31, 2016**	Nine months ending July 31, 2015
General and administrative expenses				
Accounting and audit fees	**$ -**	$ 209	**$ 13,260**	$ 16,529
Administrative fees (Note 10)	**37,500**	37,500	**112,500**	112,500
Advertising and promotion	**43,620**	60	**59,584**	57,518
Filing fees	**9,959**	6,520	**29,665**	15,217
Investor relations	**5,000**	-	**5,000**	-
Legal expenses	**13,532**	-	**13,666**	5,992
Office expenses	**1,155**	117	**1,725**	1,172
Professional services	**-**	-	**25,000**	-
Salaries and consulting fees (Note 8)	**73,552**	-	**84,070**	22,475
Share based payments (Note 7)	**536,158**	-	**536,158**	-
Travel	**1,611**	-	**10,839**	2,779
Total general and administrative expenses	**722,087**	44,406	**891,467**	234,182
Other income (expenses)				
Interest income	**2**	-	**2**	-
Settlement of shares for debt (Note 15)	**(3,504,408)**	-	**(3,504,408)**	-
Settlement of debt (Note 14)	**10,747**	-	**123,259**	-
Impairment of mineral properties (Note 4)	**-**	-	**(707,292)**	-
Total other income (expenses)	**(3,493,659)**	-	**(4,088,439)**	-
Net loss before income taxes	**4,215,746**	44,406	**4,979,906**	234,182
Deferred tax (recovery) (Note 12)	**-**	-	**-**	(1,631)
Net loss and comprehensive loss for the period	**4,215,746**	44,406	**4,979,906**	232,551
Basic and diluted loss per share	**$ (0.14)**	$ (0.01)	**$ (0.39)**	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	**30,691,986**	6,514,700	**12,608,700**	6,514,700

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

Voltaic Minerals Corp.
(formerly Prima Diamond Corp.)
Condensed Interim Statements of Changes in Equity
Expressed in Canadian dollars
(Unaudited – prepared by management)

	Number of Shares	Share Capital $	Share Subscriptions Receivable $	Reserves $	Deficit $	Total $
Balance, October 31, 2014	**6,514,700**	**2,616,548**	**-**	**325,574**	**(2,932,248)**	**9,874**
Net loss for the period	-	-	-	-	(232,551)	(232,551)
Balance, July 31, 2015	**6,514,700**	**2,616,548**	**-**	**325,574**	**(3,164,799)**	**(222,677)**

	Number of Shares	Share Capital $	Share Subscriptions Receivable $	Reserves $	Deficit $	Total $
Balance, October 31, 2015	**6,514,700**	**2,616,548**	**-**	**325,574**	**(3,231,950)**	**(289,828)**
Private placement	15,300,000	765,000	-	-	-	765,000
Finder's shares issued	120,000	6,000	-	-	-	6,000
Options exercised	34,000	17,861	-	(7,661)	-	10,200
Shares issued for property	1,500,000	435,000	-	-	-	435,000
Shares issued for debt	15,236,555	4,266,235	-	-	-	4,266,235
Escrow shares cancelled	(1,036,120)	-	-	-	-	-
Share issuance costs	-	(18,536)	-	-	-	(18,536)
Share-based payments	-	-	-	536,158	-	536,158
Net loss for the period	-	-	-	-	(4,979,906)	(4,979,906)
Balance, July 31, 2016	**37,669,135**	**8,088,108**	**-**	**854,071**	**(8,211,856)**	**730,323**

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

Voltaic Minerals Corp.
(formerly Prima Diamond Corp.)
Condensed Interim Statements of Cash Flows
For the nine months ended July 31,
Expressed in Canadian dollars
(Unaudited – prepared by management)

		2016		2015
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Net loss for the period	**$**	**(4,979,906)**	$	(232,551)
Adjustments for items not involving cash:				
Share-based payments		**536,158**		-
Gain on settlement of debt		**(123,259)**		-
Loss on settlement of shares for debt		**3,504,408**		-
Impairment of mineral properties		**707,292**		-
Deferred income tax recovery		**-**		(1,631)
Changes in non-cash operating working capital:				
HST/GST receivable		**(5,272)**		4,790
Prepaid expenses		**(26,840)**		42,686
Due to related parties		**(105,643)**		215,127
Accounts payable and accrued liabilities		**35,652**		(83,191)
Net cash flows (used in) operating activities		**(457,410)**		(54,770)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Exploration and evaluation costs		**(64,551)**		(4,196)
Short-term investments		**-**		5,750
Net cash flows from investing		**(64,551)**		1,554
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loans received		**-**		54,500
Shares issued for cash		**765,000**		-
Options exercised		**10,200**		-
Share issuance costs		**(12,537)**		-
Net cash flows from financing		**762,663**		54,500
INCREASE IN CASH AND CASH EQUIVALENTS		**240,702**		1,284
Cash and cash equivalents, beginning of period		**2,417**		(700)
Cash and cash equivalents, end of period	$	**243,119**	$	584

Supplemental disclosure with respect to cash flows – Note 11

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

1. NATURE OF OPERATIONS

Voltaic Minerals Corp. (formerly Prima Diamond Corp. and Prima Fluorspar Corp.) ("Voltaic" or the "Company") was incorporated on October 1, 2009, under the laws of British Columbia as a Capital Pool Company ("CPC") as defined by Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). On August 14, 2012, the Exchange accepted the Company's Qualifying Transaction and Company commenced trading as a Tier 2 Mining Issuer under the symbol "CRN".

On April 18, 2013, the Company completed a reverse takeover with 0941680 BC Ltd. (formerly Prima Fluorspar Corp., a private company incorporated in British Columbia on May 29, 2012) in which Prima issued 11,515,000 common shares to all 0941680 BC Ltd.'s shareholders on a one for one basis, subject to escrow agreements pursuant to National Policy 46-201. Consequently, the Company is deemed to be a continuation of 0941680 BC Ltd. and Prima is deemed to have been acquired in consideration for its issued and outstanding shares prior to the reverse takeover transaction. A Special Shareholders Meeting for Prima was held on February 20, 2013 to approve the purchase agreement, approve the change of the Company name to Prima Fluorspar Corp., and elect new directors. The resulting company commenced trading as a Tier 2 Mining Issuer under the symbol "PF" on April 19, 2013. 0941680 BC Ltd was voluntarily dissolved on October 28, 2013. On July 3, 2014, the Company announced its new additional focus on diamond exploration, and changed its name to Prima Diamond Corp, trading under the symbol "PMD".

On March 21, 2016, the Company held an Annual and Special Meeting of shareholders at which the shareholders approved the consolidation of the issued and outstanding shares on a one new (1) for five old (5) basis. On April 14, 2016, the Company changed its name to Voltaic Minerals Corp. and began trading the newly consolidated shares under the symbol "VLT".

The head office, principal address and registered and records office of the Company are located at Suite 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

2. GOING CONCERN

The Company has not generated any revenues and has incurred accumulated losses of $8,211,856 (October 31, 2015 – $3,231,950) since inception. As at July 31, 2016, the Company has working capital of $230,772 (October 31, 2015 – $997,120 deficiency). These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its diamond and fluorspar mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There is, primarily as a result of the conditions described above, cast significant doubt as to the appropriateness of the use of the going concern assumption.

The Company is not expected to be profitable during the ensuring twelve months and therefore must rely on securing additional funds from either debt or equity financings for cash consideration. During the nine months ended July 31, 2016, the Company received gross cash proceeds of $765,000 (October 31, 2015 – $nil) pursuant to equity financing activities. While the Company is expanding its best efforts to achieve the continued financing, there is no assurance that any such activity will generate sufficient funds for future operations.

3. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the Company's financial statements for the year ended October 31, 2015. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2015.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Approval of the Financial Statements

The financial statements of Voltaic Minerals Corp. for the nine months ended July 31, 2016, were authorized for issue in accordance with a resolution of the directors on September 21, 2016.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. 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.

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods; and
- The inputs used in accounting for share-based payments in the statements of operations and comprehensive loss.

3. BASIS OF PRESENTATION - continued

Significant Accounting Judgments, Estimates and Assumptions – continued

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- Provisions for reclamation

  Management assesses its provision for reclamation on an annually basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

- Going concern

  Significant judgments used in the preparation of these financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

4. EXPLORATION AND EVALUATION ASSETS

Green Energy Lithium Brine Property

On February 18, 2016, the Company entered into an agreement to acquire a 100% interest in the Green Energy Lithium Brine Property (the "Property") located in Grand County, Utah. In consideration, the Company entered into an acquisition agreement with Zimtu Capital Corp. ("Zimtu") and Mesa Exploration Corp. ("Mesa"), collectively the "Vendors". The Company paid Zimtu $10,000 in acquisition costs and will issue to Mesa 1,500,000 shares within 5 days of TSX-V approval (issued May 12, 2016 with a fair value of $435,000) and 1,500,000 shares by May 19, 2017. The TSX-V approved the transaction on May 19, 2016.

4. EXPLORATION AND EVALUATION ASSETS - continued

Diamond Properties

Godspeed Lake Diamond Property

On June 27, 2014, the Company entered into a property option agreement (the "Agreement") with DG Resource Management Ltd. ("DG Resource"), whereby the Company can acquire an undivided 100% interest in and to 46 mineral claims covering more than 42,000 ha (104,000 acres) in the southern portion of the Slave Province, Northwest Territories. The claims are called the Godspeed Lake Diamond Property ("Godspeed"). In consideration of the grant of the option, the Company will pay to DG Resource an aggregate of $150,000 cash ($10,000 paid) and issue 4,500,000 common shares of the Company. DG Resource will also retain a 2.5% Gross Overriding Royalty ("GORR") on all diamond production. The Company shall be entitled at any time to purchase 1% GORR for $2,000,000 in respect of all minerals other than diamonds. The Agreement is subject to final acceptance of the Exchange.

During the year 2014, there was a total of $12,658 spent on Godspeed before the Company entered into the Agreement, hence they were recognized in property investigation when incurred. There were no such costs incurred in 2015. During the nine months ended July 31, 2016, the Company determined it would not pursue the acquisition of the Godspeed Lake Property and impaired the property.

Munn Lake Diamond Property

On July 25, 2014, the Company entered into a property option agreement (the "Agreement") to acquire the Munn Lake Diamond Property located in the Slave Province, Northwest Territories from DG Resource Management Ltd. ("DG Resource") and Zimtu Capital Corp. ("Zimtu") whereby the Company can acquire an undivided 100% interest in and to 19 mineral claims covering more than 14,000 ha (34,000 acres). The Munn Lake Diamond Property is located approximately 35 km east of the Snap Lake Diamond Mine and 40 km northwest of the Gahcho Kué Project scheduled to commence diamond production in 2016. In consideration of the grant of the option, the Company will pay to DG Resource and Zimtu an aggregate of $50,000 cash and issue 4,500,000 common shares of the Company, divided equally between the vendors. DG Resource and Zimtu will also retain a 3% GORR on all diamond production divided equally between the vendors. The Company shall be entitled at any time to purchase 1% GORR for $2,000,000 in respect of all minerals other than diamonds. Required considerations have not been rendered as the Agreement is still subject to final acceptance of the Exchange. During the nine months ended July 31, 2016, the Company determined it would not pursue the acquisition of the Munn Lake Property.

4. EXPLORATION AND EVALUATION ASSETS – continued

Liard Fluorspar Property

The Company's Liard Fluorspar Property includes mineral claims purchased in three separate transactions and claims directly staked by the Company, which are listed in detail below. During the nine months ended July 31, 2016, the Company determined it would not pursue further exploration of the Liard Fluorspar Properties and impaired the properties.

Zimtu/Heyman/Brookes Property

On June 7, 2012, the Company entered into a Mineral Property Option Agreement ("Agreement") with Zimtu Capital Corp. ("Zimtu"), Dave Heyman ("Heyman"), and Clive Brookes ("Brookes") to purchase a 100% interest in and to the fifteen mineral claims in Northern British Columbia, known as the Liard Fluorspar Property. The consideration payable by the Company and to be issued pursuant to this agreement shall be $40,000 payable 30 days from the date of signing of this agreement (paid); and 2,000,000 common shares of the Company issued 30 days from signing of this agreement (issued at $0.05 per share). The common shares issued under this agreement are subject to a three year escrow release.

The Company is not required to incur any exploration expenditures in order to exercise the Option. There is a 2% Net Smelter Return ("NSR") royalty on the Property payable to the Vendors upon the commencement of commercial production.

Schuss Property

On June 7, 2012, the Company entered into a Mineral Property Option Agreement ("Agreement") with Michael Schuss ("Schuss") (the "Optioner") to purchase a 100% interest in and to the twelve mineral claims in Northern British Columbia, known as the Schuss Property. In consideration, the Company issued 50,000 post-consolidated common shares at $0.05 per share. The common shares issued under this agreement are subject to a three year escrow release. Ten claims had lapsed as at October 31, 2015 (2014 – one claim). The deemed value was minimal and no impairment was recognized in profit and loss.

CIM Property

On August 13, 2012, the Company entered into a Mineral Property Option Agreement ("Agreement") with Canadian Intl Minerals Inc. ("CIN") (the "Optioner") to purchase a 100% interest in and to the fourteen mineral claims in Northern British Columbia, known as the CIM Property. In consideration, the Company paid $10,000. As at October 31, 2015, the Company concluded that it will not be pursuing this property and as such, have fully impaired the property.

Dickson Property

On June 6, 2012, the Company entered into a Mineral Property Option Agreement ("Agreement") with Zimtu to purchase a 100% interest in and to the one mineral claim in Northern British Columbia, known as the Dickson Property. In consideration, the Company issued 150,000 post-consolidated common shares at $0.05 per share. The common shares issued under this agreement are subject to a three year escrow release.

Claims acquired by staking

During the year ended October 31, 2012, the Company acquired 20 claims by staking in Northern British Columbia. Nine of these claims lapsed and were impaired in 2014, and the remaining claims were impaired in 2015.

Expressed in Canadian dollars

4. EXPLORATION AND EVALUATION ASSETS – continued

The following schedule shows the property spending for the nine months ended July 31, 2016 and the year ended October 31, 2015:

	Green Energy Lithium Property	Liard Fluorspar Property	Godspeed Diamond Property	Totals
Balance, October 31, 2014	$ -	$ 697,122	$ 28,418	$ 725,540
Additions during the year –				
Property exploration costs				
Geological and field personnel	-	-	4,196	4,196
Total additions during the year	-	-	4,196	4,196
Impairment of exploration and evaluation assets	-	(22,444)	-	(22,444)
Balance, October 31, 2015	$ -	$ 674,678	$ 32,614	$ 707,292
Additions during the period –				
Property acquisition costs				
Cash	10,000	-	-	10,000
Shares	435,000	-	-	435,000
Staking costs	45,987	-	-	45,987
Property exploration costs				
Geological and field personnel	8,564	-	-	8,564
Total additions during the period	499,551	-	-	499,551
Impairment of exploration and evaluation assets	-	(674,678)	(32,614)	(707,292)
Balance, July 31, 2016	$ 499,551	$ -	$ -	$ 499,551

5. LOAN PAYABLE

During the year ended October 31, 2014, the Company borrowed funds to support operations from Zimtu. The Company signed a loan agreement with Zimtu for the total amount of these loans, equal to $127,300. The loans were due on or before October 31, 2015 with interest rate at 3% annually. During the year ended October 31, 2015, the Company borrowed additional funds of $25,000 and was able to repay $30,000. During the nine months ended July 31, 2016, the Company borrowed additional funds of $15,000. The loan was due on or before April 30, 2016, with an interest rate at 3% annually. The Company settled the loans by issuing shares to Zimtu (see Note 15). At July 31, 2016, the Company is indebted to Zimtu in the amount of $nil in principal and $nil in interest.

6. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value and
Unlimited preferred shares with no par value

b) Issued and Outstanding:

On March 21, 2016, the Company's shareholders approved the consolidation of the issued and outstanding shares on a one new (1) for five old (5) basis.

6. SHARE CAPITAL – continued

b) Issued and Outstanding: - continued

Issued during the nine months ended July 31, 2016:

On May 4, 2016, the Company closed the first tranche of a private placement. The Company issued 10,619,000 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $530,950. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a "Warrant Share") for a period of 24 months at a price of $0.075 per Warrant Share in the first 12 months and $0.10 in the second 12 months. The Company paid $8,800 in finders' fees and issued 120,000 finders' shares.

On May 17, 2016, the Company closed the second and final tranche of the private placement. The Company issued 4,681,000 units (the "Units") at a price of $0.05 per Unit for gross proceeds of $234,050. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a "Warrant Share") for a period of 24 months at a price of $0.075 per Warrant Share in the first 12 months and $0.10 in the second 12 months.

On May 12, 2016, the Company issued 1,500,000 shares to Mesa Exploration Corp. in accordance with the Green Energy Lithium Brine Property, with a fair value of $435,000, or $0.29 per share.

On June 3, 2016, the TSX-V accepted the Company's proposal to issue 15,236,557 shares to settle outstanding debts of $761,828 with various creditors of the Company whereby the company would issue shares of the Company at a deemed price of $0.05 per share representing a settlement of the amounts owing to such creditors (the "Shares for Debt Settlement"). Zimtu received 13,504,682 shares to settle debt of $675,234. All the securities issued under the Settlement Agreements are subject to voluntary 4 month hold and where required, escrow under applicable securities legislation.

On June 27, 2016, 34,000 stock options priced at $0.30 were exercised for gross proceeds of $10,200.

c) Escrow Shares

On May 16, 2016, the Company cancelled the remaining 1,036,120 shares held in escrow and returned them to treasury. As at July 31, 2016, nil (October 31, 2015: 2,320,810) common shares of the Company are held in escrow and to be released pro-rata to the shareholders as to different release schedules.

Expressed in Canadian dollars

6. SHARE CAPITAL – continued

d) Warrants

The following is a summary of warrant transactions for the nine months ended July 31, 2016 and the year ended October 31, 2015:

	July 31, 2016			October 31, 2015		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of period	795,000	$	0.77	983,200	$	0.78
Issued	15,300,000		0.10	-		-
Expired	(795,000)		0.77	(188,200)		0.79
Balance, end of period	15,300,000	$	0.10	795,000	$	0.77

The following warrants were outstanding and exercisable as July 31, 2016:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life
May 4, 2018	0.10	10,619,000	1.76
May 17, 2018	0.10	4,681,000	1.79
Total		15,300,000	1.77

e) Finder's and Agent's Warrants

The following is a summary of finder's and agent's warrant transactions for the nine months ended July 31, 2016 and the year ended October 31, 2015:

	July 31, 2016			October 31, 2015		
	Number of Finder's Warrants		Weighted Average Exercise Price	Number of Finder's Warrants		Weighted Average Exercise Price
Balance, beginning of period	14,000	$	0.86	16,272	$	0.86
Expired	(14,000)		0.86	(2,272)		0.90
Balance, end of period	-		-	14,000	$	0.86

Expressed in Canadian dollars

7. SHARE-BASED PAYMENTS

The Company has a Stock Option Plan (the "Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. At the Company's Annual General Meeting on March 21, 2016, the shareholders approved the "2016 Stock Option Plan", and set the number of options granted under the Plan to not exceed 10% of the issued and outstanding shares. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three month period.

The following is a summary of option transactions under the Company's stock option plan for nine months ended July 31, 2016 and the year ended October 31, 2015:

	July 31, 2016		October 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	370,000	$ 0.50	515,000	$ 0.50
Issued	1,676,000	0.30	-	-
Exercised	(34,000)	0.30	-	-
Cancelled	(330,000)	0.50	-	-
Expired	-	-	(145,000)	0.50
Balance, end of period	1,682,000	$ 0.30	370,000	$ 0.50

The following stock options were outstanding and exercisable as July 31, 2016:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Fair Value Stock Options (per option)
April 26, 2018	$0.50	40,000	1.74	$0.20
May 6, 2017	0.30	442,000	0.76	0.23
August 20, 2018	0.30	1,200,000	4.86	0.36
Total		1,682,000	3.71	$0.32

On May 26, 2016, the Company cancelled 240,000 stock options priced at $0.50 and expiring April 26, 2018, 50,000 stock options priced at $0.50 and expiring June 23, 2018, and 40,000 stock options priced at $0.50 and expiring August 20, 2018.

On May 6, 2016, the Company issued 476,000 stock options to a consultant of the Company at $0.30 per share for 1 year, expiring May 6, 2017. On June 27, 2016, 34,000 of these options were exercised for proceeds of $10,200.

On June 8, 2016, the Company issued 1,200,000 stock options to Directors and Officers of the Company at $0.30 per share for 5 years, expiring June 8, 2021.

Expressed in Canadian dollars

7. SHARE-BASED PAYMENTS - continued

During the nine months ended July 31, 2016, share-based payments expense of $536,158 (July 31, 2015 - $nil) was recognized for the stock options using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.55-0.62%, a dividend yield of nil, an expected volatility of 185.22-282.69% and an average expected life of 1-5 years. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

8. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations:

		Nine months ended July 31,	
Related parties	**Type of Service**	**2016**	**2015**
Robert Bick	Salaries and consulting fees (recovery)	(30,000)	10,000
Andrew Davidson	Gain on settlement of debt	(59,300)	-
Darryl Jones	Consulting fees	40,000	-
Foster Wilson	Consulting fees	2,793	-
Zimtu Capital Corp.	Loss on settlement of shares for debt	3,106,077	-
Zimtu Capital Corp.	Salaries and consulting fees	13,856	-
Zimtu Capital Corp.	Administrative services	112,500	112,500
Zimtu Capital Corp.	Advertising expenses	20,620	42,000

Due to related parties	**July 31, 2016 $**	**October 31, 2015 $**
Andrew Davidson (a)	-	69,300
Robert Bick (b)	-	30,000
Zimtu Capital Corp. (c)	-	524,348
Total	-	623,648

a) During the year ended October 31, 2012, the Company entered into an agreement with Andrew Davidson ("Mr. Davidson"), whereby Mr. Davidson was appointed CFO of the Company and agreed to provide consulting services for a period of one year, renewing annually, for $6,000 per month. On July 30, 2014, Mr. Davidson resigned as the Company's CFO and accepted a position as a director. Mr. Davidson did not run for re-election at the Company's Annual and Special General Meeting held on March 21, 2016.

b) On April 19, 2013, the Company entered into an agreement with Robert Bick ("Mr. Bick"), whereby Mr. Bick was appointed president, CEO and director of the Company and agreed to provide management services throughout the employment period for a minimum of $10,000 per month. On January 15, 2015, Robert Bick resigned as the Company's president. Mr. Bick did not run for re-election at the Company's Annual and Special General Meeting held on March 21, 2016.

c) Zimtu is a significant shareholder of the Company, holding 38.43% (October 31, 2015 – 23.58%) of the issued and outstanding share capital and provides monthly administrative and managerial services (see Note 10). On January 15, 2015, David Hodge, the president of Zimtu, was appointed as interim President and Chief Executive Officer of the Company. He resigned on July 15, 2016. Also see Note 5.

8. RELATED PARTY TRANSACTIONS - continued

d) Darryl Jones was elected as a director of the Company at the Company's Annual and Special General Meeting held on March 21, 2016. On July 15, 2016, Mr. Jones was appointed as the Company's President and Chief Executive Officer.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

(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.

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) Foreign exchange risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

(d) 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 has cash balances and is not exposed to any significant interest rate risk.

(e) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at July 31, 2016, the Company's shareholders' equity was $730,323 (October 31, 2015 - $289,828 deficit). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Expressed in Canadian dollars

9. FINANCIAL RISK MANAGEMENT - continued

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

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

(f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

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

The following is an analysis of the Company's financial assets measured at fair value as at July 31, 2016 and October 31, 2015:

	As at July 31, 2016		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 243,119	$ -	$ -
Total	$ 243,119	$ -	$ -
	As at October 31, 2015		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 2,417	$ -	$ -
Total	$ 2,417	$ -	$ -

10. COMMITMENTS

Effective May 1, 2013, the Company signed a Management Services Agreement with Zimtu at a rate of $12,500 per month for one year, expiring on April 30, 2014. On May 1, 2014, the Company extended this agreement for an additional seven months, expiring November 30, 2014. On December 1, 2014, the agreement was renewed for twelve months, expiring on November 30, 2015. On December 1, 2015, the Company renewed its Management Services Agreement with Zimtu for an additional 12 month term. Zimtu is a significant shareholder of the Company, holding 38.43% (October 31, 2015 – 23.58%) of the issued and outstanding share capital.

On July 1, 2016, the Company engaged VLP Market Making Services to provide market making activities. The agreement will continue for a twelve month period at a monthly fee of $5,000. The agreement is renewable every twelve months and can be terminated immediately by either party.

Expressed in Canadian dollars

11. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statements of cash flows for the nine months ended July 31 2016 and 2015:

		2016		2015
Exploration costs included in accounts payable	$	8,564	$	124,399
Exploration costs included in due to related parties	$	-	$	17,642

12. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On October 11, 2013, the Company issued 542,000 units on a flow-through basis at $0.12 per share (see Note 11) for proceeds of $65,040 (“Tranche 1”), and recognized a liability on flow-through shares of $10,840. On November 26, 2013, the Company issued 1,250,000 units on a flow-through basis at $0.12 per share (see Note 9) for proceeds of $150,000 (“Tranche 2”), and recognized a liability on flow-through shares of $11,390. These two tranches of share issuances pursuant to the same private placements announced in August 2013. At October 31, 2015, the Company has incurred $215,040 (2014 - $193,554) of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $10,840 for Tranche 1 and $9,759 for Tranche 2 respectively, recognized in fiscal years 2013 and 2014, respectively, and the remaining $1,631 prior to December 31, 2014. As at December 31, 2014, the amount of flow-through proceeds remains to be expended is $nil and the total of the flow-through spending has been renounced.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the current year’s financial statements presentation.

14. SETTLEMENT OF DEBT

During the nine months ended July 31, 2016, the Company was able to settle debt with some of their creditors at a discount. As at July 31, 2016, the discounted amounts have been paid in full.

15. ISSUANCE OF SHARES FOR DEBT

During the nine months ended July 31, 2016, the Company was able to settle debt with some of their creditors by issuing shares for debt. The shares were issued with a deemed value of $0.05 for the creditors. On the date of issuance, the market value of the shares was $0.28, which was the fair market value of the shares. The difference of $0.23 per share is the loss on issuance of shares for debt.

16. SUBSEQUENT EVENTS

i. On August 17, 2016, the Company announced it has entered in a Memorandum of Understanding ("MOU") with Macarthur Minerals Ltd. ("Macarthur") to enter into a Purchase Agreement for the Stonewall Project in Nevada which covers approximately 5,700 acres that was acquired by the Company through staking. Under the terms of the MOU and on completion of the Purchase Agreement, the Company will receive 2,000,000 common shares in Macarthur, and 6 months from completion will receive $50,000 USD. The transaction is subject to regulatory approval.