VENDOME RESOURCES CORP.

INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MAY 31, 2016 AND 2015

UNAUDITED-PREPARED BY MANAGEMENT

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 financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. Management's Responsibility

To the Shareholders of Vendome Resources Corp. (the "Company"):

The accompanying financial statements of the Company are the responsibility of management.

The financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of statement of financial position. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ W. John Priestner	/s/ Victor Dario
President and CEO	Chief Financial Officer

Toronto, Canada

August 4, 2016

Consolidated Condensed Statements of Financial Position

(In Canadian dollars)

UNAUDITED-PREPARED BY MANAGEMENT

As at	Note	31-May-16	28-Feb-16
ASSETS			
CURRENT			
Cash and Cash equivalents		$25,315	$ 315
Interest and sundry receivable		7,645	4,848
		32,960	5,163
EXPLORATION AND EVALUATION ASSETS	6	285,791	285,791
		$318,751	$290,954
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	9	$ 341,250	$ 307,552
Loan payable	8	35,000	-
		376,250	307,250
SHAREHOLDERS' DEFICIENCY			
CAPITAL STOCK			
Issued and Outstanding	7	5,611,403	5,626,403
CONTRIBUTED SURPLUS		570,120	570,120
ACCUMULATED OTHER COMPREHENSIVE INCOME		(5,674)	(5,674)
ACCUMULATED DEFICIT		(6,233,348)	(6,031,448)
		(57,499)	(16,598)
		$318,751	$ 290,954

See Note 1: Nature of Organization and Going Concern

Approved on behalf of the Board on August 4, 2016:

/s/ W. John Priestner	/s/ Victor Dario
President and CEO	Chief Financial Officer

Accompanying notes form an integral part of these interim condensed consolidated financial statements

Consolidated Condensed Statements of Loss and Comprehensive Loss

(In Canadian dollars)

UNAUDITED-PREPARED BY MANAGEMENT

	Note	Three Months Ended 31-May-16	31-May-15
General and administrative expenditures		$24,401	$12,047
Professional fees		1,500	3,500
		$25,901	$15,547
Loss and Comprehensive loss for the year		($25,901)	($15,547)
Basic and diluted loss per share		$0.00	$0.00
Weighted average number of common shares outstanding - basic and diluted		53,566,133	53,566,133

Accompanying notes form an integral part of these interim condensed consolidated financial statements

Consolidated Statements of Cash Flows

(In Canadian dollars)

UNAUDITED-PREPARED BY MANAGEMENT

	Note	Three Months Ended 31-May-16	31-May-15
Net Loss for the year		($25,901)	($15,547)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in non-cash working capital items:			
Decrease (increase) in interest and sundry receivables		(2,797)	392
Increase (decrease) in accounts payable and accrued liabilities		33,698	8,172
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		$5,000	($43,045)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Share issuance costs		(15,000)	-
Loan	8	35,000	
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		$20,000	$-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in exploration property for cash	6	-	-
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES		$-	($7,866)
NET CHANGE IN CASH AND CASH EQUIVALENTS		25,000	(6,983)
CASH AND CASH EQUIVALENTS Beginning of Year		315	7,965
CASH AND CASH EQUIVALENTS End of Year		$25,315	$982
SUPPLEMENTAL INFORMATION			
Interest received		-	-
Interest paid		-	-
NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Common shares issued for exploration properties		$-	$-

Accompanying notes form an integral part of these interim condensed consolidated financial statements

Consolidated Statements of Shareholders' Equity

(In Canadian dollars)

UNAUDITED-PREPARED BY MANAGEMENT

	Number of Common Shares	Capital Stock: Common Shares	Capital Stock: Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
Balance, March 1, 2015	53,566,133	$5,626,403	$-	$570,120	($5,674)	($6,031,448)	$159,401
Net loss						(15,547)	(15,547)
Balance, May 31, 2015	53,566,133	$5,626,403	$-	$570.120	($5,674)	($9,046,995)	$143,854
Balance March 1, 2016	53,566,133	$5,626,403	$-	$570,120	$(5,674)	$(6,207,447)	$(16,598)
Share issue costs		(15,000)					(15,000)
Net loss						(25,901)	(25,901)
Balance, May 31, 2016	53,566,133	$5,611,403	$-	$570,120	($5,674)	($6,233,348)	$(57,499)

Accompanying notes form an integral part of these interim condensed consolidated financial statements

1. Nature of Organization and Going Concern

Description of the Business

Vendome Resources Corp. (the "**Company**") was incorporated on February 27, 2007 pursuant to the Business Company Act (Ontario) and was classified as engaged in the exploration of its properties for base metals and precious metals in Canada and Mexico. All mineral property interests held are currently in the exploration stage.

These interim condensed consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the directors on August 4, 2016.

The Company's principal assets are mining claims and deferred exploration costs relating to properties which are not in commercial projects. The Company is in the process of exploring its mining claims and has not yet determined whether or not the properties will contain economically recoverable reserves.

These interim condensed consolidated financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. As is common with exploration companies, the Company is dependent upon obtaining equity financing to fund future exploration expenditures and cover administrative costs. The following items cast doubt upon the validity of the going concern assumptions: the Company has a working capital deficit of $343,290 (February 28, 2016 - $141,937) has incurred losses in the current and prior periods, with a current net comprehensive loss of $25,901 (2016 - $15,547) and has an accumulated deficit of $6,233,348 (May 31, 2016 – 6,046,995). In the event that the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain or complete the exploration of its property interests. These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company was unable to continue as a going concern. These adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These Interim Condensed Unaudited Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These Interim Condensed Unaudited Consolidated Financial Statements should be read in conjunction with the Company's most recently issued Annual Report which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 3 of the consolidated financial statements for the years ended February 28, 2016 and 2015, and have been consistently applied in the preparation of these interim condensed consolidated financial statements.

These Interim Condensed Unaudited Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these Interim Condensed Unaudited Consolidated Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

The interim condensed consolidated financial statements of the Company include the accounts of its wholly-owned subsidiary Vendome Minas, S.A. de C.V. ("**VDR Mexico**"). The interim condensed consolidated financial statements accounts of VDR Mexico from the date that it commenced its operations, which was January 1, 2011.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is Company's functional currency.

3. Summary of Significant Accounting Policies

See annual consolidated financial statements for the years ended February 28, 2016 and 2015 for a list of accounting policies used by the Company.

4. Summary of Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. The estimates and judgments that, in managements' opinion, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are disclosed in the annual audited consolidated financial statements.

See annual consolidated financial statements for the years ended February 28, 2016 and 2015 for a list of accounting estimates and judgements considered significant by management.

5. Accounting Pronouncements

Accounting standard issued for adoption in future periods

The following standard has been issued but is not yet effective. The Company is assessing the impact of this new standard, but does not expect it to have a significant impact on the consolidated financial statements.

- IFRS 9 Financial Instruments. The IASB has postponed indefinitely the mandatory adoption of IFRS 9 Financial Instruments, which addresses classification and measurement of financial instruments and replaces the multiple category and measurement models in IAS 39 Financial Instruments - Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss (FVTPL). IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at FVTPL or at fair value through other comprehensive income. The Company has not assessed the impact of the standard nor determined whether it will adopt the standard early.

6. Exploration and evaluation assets

The following is a summary of the Company's investment in exploration properties:

	Ivanhoe Ontario	La Diana Mexico	San Miguel Mexico	San Javier Mexico	Total
Balance, March 1, 2016	$285,790	-	1	-	285,791
Acquisition costs	-	-	-	-	-
Exploration costs	-	-	-	-	-
Balance, May 31, 2016	$285,790	$-	$1	$-	$285,791

Balance March 1, 2015	285,790	-	1	-	285,791
Exploration costs	-	-	-	-	-
Write off of property	-	-	-	-	-
Balance, Feb 28, 2015	$285,790	$-	$1	$-	$285,791

(i) Ivanhoe, Ontario

On July 30, 2012 the Company completed the acquisition of a 100% interest in the Ivanhoe Lake property (the "Property") located in the Borden Lake Gold District, Ontario, Canada. The vendors retain a 3% net smelter royalty on the property. The Company was granted the right to purchase 50% of the net smelter royalty at any time for a payment of $3,000,000 to the vendors.

On September 5th, 2014 the Company acquired additional mining claims contiguous to its Ivanhoe Lake Property. The additional claims are located directly adjacent to the western boundary of the original Ivanhoe Lake claims and double the size of the footprint in the region. The claims were acquired from the vendors of our original claims pursuant to an amendment to the existing agreement. Vendome paid $6,000 in cash to the vendors and amended the existing agreement to include the claims under the same terms and conditions as in the original agreement

(ii) San Miguel Property, Mexico

In July 2011, the Company agreed to acquire the San Miguel property (“**San Miguel Property**”) from Santa Claws Minas., De C.V. The San Miguel Property is located within the southern portion of the Sierra Madre del Sur precious metal belt in the State of Guerrero, Mexico. The San Miguel Property is approximately 2,000 hectares in size and is surrounded by the 14,722 hectare La Diana Property. The Company paid $25,000 and issued 2,500,000 common shares of the Company to Santa Claws Minas S.A., de C.V. and therefore has acquired the property rights.

During the prior year, with the loss of the La Diana and San Javier properties, and due to the fact that the Company is in arrears on property tax payments on this property, management felt it was prudent to write off these claims in their entirety the Company has written down the value of the Property to the nominal amount of $1.

7. Shareholders’ Equity

(i) Share capital

Authorized and issued
The Company is authorized to issue an unlimited number of common shares. The issued and outstanding common shares are as follows:

	31-May-16	31-May-15
Shares issued and fully paid:		
Beginning of the year	53,566,133	53,566,133
Stock-options exercised	-	-
Warrants exercised	-	-
Share issue	-	-
Issued for mining claims	-	
Shares issued and fully paid end of year	53,566,133	53,566,133

For each class of share capital:	
The number of shares authorized	Unlimited
The number of shares issued and fully paid	53,566,133
The number of shares issued but not fully paid	Nil
Par value per share, or that the shares have no par value	no par value

(ii) Stock Options

The Company's Stock Option Plan ("the "**Plan**") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Company's common shares on the date of the grant to directors, officers, employees and consultants to the Company. The option period for options granted under the Plan is for a maximum period of 5 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

The stock options activity is summarized below:

	31-May-16		**31-May-15**	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of period	1,150,000	$0.23	3,550,000	$0.22
Expired during the period	-	-	-	-
Balance at end of period	1,150,000	$0.23	3,550,000	$0.22

No options were issued in the three month periods ended May 31, 2016 and 2015.

The following table summarizes the range of exercise prices and weighted average remaining contractual life for share units outstanding at the end of the period:

	31-May-16		**31-May-15**	
	The range of exercise prices	**weighted average remaining contractual life**	**The range of exercise prices**	**weighted average remaining contractual life**
Share options outstanding at the end of the period:	$0.20 - $0.25	1.04	$0.175 - $0.25	2.41

(iii) Warrants

The following is a summary of warrants outstanding:

	31-May-16		31-May-15	
	Number of units	**Weighted average exercise price**	**Number of units**	**Weighted average exercise price**
Balance at beginning of period	980,000	$0.10	11,247,666	$0.12
Warrants issued	-	-	-	-
Expired during the period	(980,000)	(0.10)	-	-
Balance at end of period	-	$-	11,247,666	$0.12

8. Loan payable

During the period, pursuant to an unsecured promissory note, the Company received a loan in the amount of $35,000. The loan is to be used by the Company for working capital purposes. The note is guaranteed by the Company's president. The promissory note is non-interest bearing until demand at which time the note will bear interest at 10% per annum compounded monthly.

9. Related Party Transactions

The Company's related parties include its subsidiaries, key management and their close family members, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given of received. Outstanding balances are usually settled in cash.

The Company had the following transactions with related parties:

	31-May-16		31-May-15	
	Key Management Personnel	Other	Key Management Personnel	Other
Transactions				
Expense reimbursement	$2,879	$-	$-	$-
Management fees	12,000	-	12,000	-
	$15,879	$-	$12,000	$-
Outstanding balances owing to related parties:				
Prepaid to directors/officers	$88,000	72,621	$30,000	$-
Non interest bearing, unsecured, demand loans from shareholders	8,000	-	-	-
Amounts payable to companies with common ownership or directors	47,337	-	26,918	-
	$143,337	**$72,621**	**$56,918**	**$-**

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

Camsim Minas S.A. de C.V., the company which owns the La Diana and San Javier Properties (see Note 6 (ii and iii) is controlled by an individual who is related to a board member of the Company.

The remuneration of directors and other members of key management personnel were as follows:

	31-May-16	31-May-15
Short-term employee benefits	$12,000	$12,000
Share-based payments	-	-
	$12,000	**$12,000**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. This amount includes amounts paid to the CEO and former CFO of the Company.

10. Segmented Information

The Company conducts its business in two geographic segments being Canada and Mexico and one business segment being exploration for mineral resource properties. At May 31, 2016 and 2015, the Company's mineral property interests were situated in Canada and Mexico.

The following table summarizes total assets by geographic location:

	31-May-16	31-May-15
Canada	$318,750	$288,910
Mexico	1	1
Total Assets	**$318,751**	**$288,911**

The following table summarizes net loss by geographic location:

	31-May-16	31-May-15
Canada	$25,901	$15,547
Mexico	-	-
Total Expenses	**$25,901**	**$15,547**

11. Capital Management and Liquidity

The Company considers its capital structure to consist of its cash, common shares, stock options and warrants. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company 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 new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 29, 2016, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

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

There were no changes in the Company's approach to capital management during the periods ended May 31, 2016, and 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

The Company's capital for the reporting periods is summarized as follows:

	31-May-16	31-May-15
Cash	$25,315	$932
Common shares	5,611,403	5,626,403
Contributed Surplus	570,120	570,120
Deficit	(6,233,348)	(6,046,995)
	$(26,510)	**$150,460**

12. Financial Instruments

Financial Instruments details can be summarized as follows:

	Level of Fair Value Measurement	Balance as at 31-May-16	31-May-15
Loans and receivables			
Cash and cash equivalents	Level 1	$25,315	$932
Interest and sundry receivables	Level 2	7,645	2,138
		$32,960	$3,070
Financial liabilities measured at amortized cost			
Accounts payable and accrued liabilities	Level 1	$341,250	$145,055
		$341,250	$145,055

Fair Value of Non-Derivative Financial Instruments
Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk.

The Company values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Company.

13. Financial Instruments Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

(i) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company is not exposed to credit risk due to the nature of the collectible accounts.
At May 31, 2016 and 2015, the Company does not have any allowance for doubtful accounts.

Management actively monitors the Company's exposure to credit risk under its financial instruments, including with respect to amounts receivable. The Company considers the risk of loss for its amounts receivable to be remote and significantly mitigated due to the financial strength of the party from whom the receivables are due - the Canadian government for harmonized sales tax ("HST") refunds receivable.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is net operating income, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities.

Additional sources of liquidity are debt and equity financing, which is used to fund additional operating and other expenses and retire debt obligations at their maturity. In addition to having a working capital deficiency at The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. It is anticipated that the Company will continue to rely on equity financing to meet its ongoing working capital requirements. The Company has a significant working capital deficiency at period end and therefore liquidity risk is considered high.

(iii) **Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns. The Company has no significant exposure to market risk.

(iv) **Interest rate sensitivity**

The Company has no significant exposure at May 31, 2016 and 2015 to interest rate risk through its financial instruments.

(v) **Foreign Exchange Risk**

The Company is exposed to foreign currency fluctuations as the Company's fully owned subsidiary operates in MXN pesos. The translation effects of changes in exchange rates in the Consolidated Statement of Financial Position were net translation gain of $Nil (2015 - $Nil) are recorded within Accumulated Other Comprehensive Income in Shareholders' Equity.

Management believes that foreign exchange risk is not significant as at May 31, 2016 and 2015.

14. Subsequent Events

1) Subsequent financing

On July 27 and August 2, 2016 the Company closed a private placement of 59,008,331 units at a price of $0.0075 per unit for gross proceeds of $442,562.48 and 13,333,331 “flow-through” shares at a price of $0.0075 per share for gross proceeds of $99,999.98. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant is exercisable into a common share at a price of $0.01 for a period of three years following closing. The finder under the offering will be paid finders' fees consisting of $54,256.25 in cash and 7,234,166 broker warrants (“Broker Warrants”) These fees will be paid to the Agent upon meeting the conditions of the TSX Venture Exchange. Each Broker Warrant is convertible into one broker warrant unit (a “BW Unit”) at a price of $0.0075 per BW Unit for a period of two years from the date of issuance. Each BW Unit consists of one Share (a “BW Share”) of the Company and one-half Warrant of the Company (each whole warrant, a “BW Warrant”). Each BW Warrant will entitle the holder to purchase one Share (a “BW Warrant Share”) of the Company for a period of 36 months following the date of issuance of the BW Warrants at a price of $0.01 per BW Warrant Share. The Closing has been completed under escrow, principally, to meet the conditions of the TSX Venture Exchange and allow the Company to proceed with the consolidation of its shares, post-closing, on the basis of one (1) common share for each ten (10) existing common shares (the “Consolidation”). All securities issued pursuant to the Offering are subject to a statutory hold period expiring four months and one day after closing. The Company intends to use the net proceeds (net of all fees and commissions) of the offering for working capital purposes, business development, and general and administrative purposes. The Company is awaiting approval, as of the date hereof, for TSX Venture Exchange final approval for the above noted financing.

2) Mineral Property acquisition

The Company entered into an agreement to acquire 100% interest in the Clinton Manganese Project, located near Clinton, British Columbia. Pursuant to the agreement, the Company had agreed to issue up to 12 million shares of its share capital and pay $20,000 in order to acquire a 100% interest in the property. The Company has received approval for this acquisition from the TSX Venture Exchange and approval for issuing 1,400,000 shares as a finder’s fee. On July 27, 2016 the Company issued the 12 million shares to the vendors of the property, along with the 1,400,000 finder’s fee shares. The payment of $20,000 will be made from the proceeds of the financing once the TSX Venture Exchange provides final approval.