



# **YELLOWHEAD MINING INC.**

**YELLOWHEAD MINING INC.**  
**Condensed Consolidated Interim Financial Statements**  
**March 31, 2016**  
(Unaudited)  
(Expressed in Canadian Dollars)

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, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The interim financial statements of Yellowhead Mining Inc. for the three months ended March 31, 2016 have not been reviewed by the auditor of the Corporation.

# YELLOWHEAD MINING INC.

## Condensed Consolidated Interim Statement of Financial Position

(Unaudited)

(In Canadian dollars)

	NOTES	As at	
		March 31, 2016	December 31, 2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	\$ 1,000,828	\$ 1,299,391
Accounts receivable		-	3,802
GST receivable		7,258	4,938
Prepaid expenses and deposits		93,394	103,092
		<b>1,101,480</b>	1,411,223
<b>Non-current assets</b>			
Property, plant and equipment	6	2,246,663	2,255,361
Mineral interests	7	885,235	885,235
Reclamation bond	7	85,000	85,000
		<b>3,216,898</b>	3,225,596
<b>TOTAL ASSETS</b>		<b>\$ 4,318,378</b>	\$ 4,636,819
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 279,942	\$ 294,140
		<b>279,942</b>	294,140
<b>EQUITY</b>			
Share capital	8	59,793,013	59,793,013
Equity reserves		5,336,496	5,334,416
Accumulated deficit		(61,091,073)	(60,784,750)
		<b>4,038,436</b>	4,342,679
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 4,318,378</b>	\$ 4,636,819

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"T. Gregory Hawkins"

DIRECTOR

"Glen Swail"

DIRECTOR

# YELLOWHEAD MINING INC.

## Condensed Consolidated Interim Statement of Comprehensive Loss

(Unaudited)

(In Canadian dollars)

	NOTES	Three months ended March 31, 2016	Three months ended March 31, 2015
<b>Administrative expenses</b>			
Consulting fees		\$ -	\$ 155,918
Depreciation	6	8,698	8,973
Filing fees		28,328	19,247
Insurance		9,699	10,937
Office supplies and services		8,519	19,432
Professional fees		37,856	25,090
Rent		33,259	30,691
Share-based compensation (recovery)	8	2,080	(472)
Travel and investor relations		5,751	19,834
Wages and benefits		150,123	307,645
		<b>284,313</b>	597,295
<b>Exploration and evaluation expenses</b>	5	<b>22,010</b>	455,918
<b>Other (income)/expense</b>			
Interest income		-	(7,384)
Other expenses		-	500
<b>Net loss and comprehensive loss</b>		<b>\$ 306,323</b>	<b>\$ 1,046,329</b>
<b>Loss per share</b>			
Basic and diluted		\$ -	\$ 0.01
<b>Weighted average number of shares outstanding</b>			
Basic and diluted		<b>123,757,127</b>	99,005,726

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

# YELLOWHEAD MINING INC.

## Condensed Consolidated Interim Statement of Changes in Equity

(Unaudited)

(In Canadian dollars)

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	<u>Number of shares</u>	<u>Share capital</u>	<u>Equity reserves</u>	<u>Accumulated deficit</u>	<u>Total</u>
<b>Balances as at January 1, 2016</b>	<b>123,757,157</b>	<b>\$ 59,793,013</b>	<b>\$ 5,334,416</b>	<b>\$ (60,784,750)</b>	<b>\$ 4,342,679</b>
Share-based compensation	-	-	2,080	-	2,080
Net loss and comprehensive loss for the period	-	-	-	(306,323)	(306,323)
<b>Balances as at March 31, 2016</b>	<b>123,757,157</b>	<b>\$ 59,793,013</b>	<b>\$ 5,336,496</b>	<b>\$ (61,091,073)</b>	<b>\$ 4,038,436</b>
Balances as at January 1, 2015	99,005,726	\$ 58,743,984	\$ 5,322,477	\$ (58,061,521)	\$ 6,004,940
Share-based compensation (recovery)	-	-	(472)	-	(472)
Net loss and comprehensive loss for the period	-	-	-	(1,046,329)	(1,046,329)
<b>Balances as at March 31, 2015</b>	<b>99,005,726</b>	<b>\$ 58,743,984</b>	<b>\$ 5,322,005</b>	<b>\$ (59,107,850)</b>	<b>\$ 4,958,139</b>

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

# YELLOWHEAD MINING INC.

## Condensed Consolidated Interim Statement of Cash Flows

(Unaudited)

(In Canadian dollars)

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	NOTES	Three months ended March 31, 2016	Three months ended March 31, 2015
<b>Operating activities</b>			
Net Loss for the period		\$ (306,323)	\$ (1,046,329)
Items not involving cash:			
Share-based compensation (recovery)	8	2,080	(472)
Depreciation		8,698	8,973
Changes in non-cash working capital			
Accounts receivable		3,802	343
GST receivable		(2,320)	12,484
Prepaid expenses and deposits		9,698	13,444
Accounts payable and accrued liabilities		(14,198)	(599,320)
<b>Cash used in operating activities</b>		<b>(298,563)</b>	<b>(1,610,877)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(298,563)</b>	<b>(1,610,877)</b>
Cash and cash equivalents, beginning of period		1,299,391	1,299,391
<b>Cash and cash equivalents, end of period</b>		<b>\$ 1,000,828</b>	<b>\$ (311,486)</b>

### Supplemental cash flow information (Note 10)

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

# **YELLOWHEAD MINING INC.**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**Three months ended March 31, 2016**

*(Unaudited)*

*(In Canadian dollars)*

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### **1. NATURE OF OPERATIONS**

Yellowhead Mining Inc. ("Yellowhead" or the "Company") was incorporated on August 23, 2005 under the laws of British Columbia and is an exploration stage company engaged principally in the acquisition, exploration and development of mineral properties.

The Company's head office is located at 525 8<sup>th</sup> Avenue SW, Suite 4900, Calgary, Alberta, T2P 1G1 and its registered and records office is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

These condensed consolidated interim financial statements have been prepared on a going-concern basis, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Several events and conditions cast significant doubt on the validity of this assumption. During the three month period ended March 31, 2016, the Company incurred a loss of \$306,323 (March 31, 2015-\$1,046,329), had working capital of \$821,538 (December 31, 2015-\$1,117,083) and an accumulated deficit of \$61,091,073(December 31, 2015-\$60,784,750).

The Company's ability to continue as a going concern is dependent upon receipt of all required permits, establishment of profitable operations and the Company's ability to obtain additional financing or outside participation to undertake further exploration and subsequent development of its mineral interests. While the Company has been successful in obtaining its required funding in the past, there is no assurance that sufficient funds will be available to the Company in the future. Given the decision to keep the mine on care and maintenance for the foreseeable future, including 2016, until such time as more favourable commodity and capital markets exist that would permit the development of the mine to continue, there is no certainty that additional financing at terms that are acceptable to the Company will be available and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern.

The Company's investments in mineral interests comprise a significant portion of the Company's activities. Realization of the Company's investment in these properties is dependent on establishing legal ownership of the properties, on the attainment of successful commercial production, or from the proceeds of their disposal. The recoverability of the amounts shown for mineral interests and property, plant and equipment is dependent upon the existence of economically recoverable reserves, the ability of the Company to permit the properties, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future production or proceeds from the disposition thereof.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

### **2. BASIS OF PRESENTATION**

#### **(a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International

# **YELLOWHEAD MINING INC.**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**Three months ended March 31, 2016**

*(Unaudited)*

*(In Canadian dollars)*

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### **2. BASIS OF PRESENTATION (Continued)**

Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

#### **(b) Basis of presentation**

The accounting policies used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the Company’s most recent consolidated annual financial statements for the year ended December 31, 2015. These condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated annual financial statements for the year ended December 31, 2015.

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 11, 2016.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

The consolidated financial statements include the accounts of the Company and its 100% owned subsidiary Harper Creek Mining Corporation (“Harper Creek”).

#### **(c) Critical accounting judgements and estimates.**

The preparation of the condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Note 3 of the Company’s consolidated financial statements for the year ended December 31, 2015 contains a discussion of the Company’s critical accounting judgements and estimates.

#### **(d) New and amended accounting standards adopted.**

The annual improvements process addressed issues in the 2012-2014 reporting cycles including changes to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, IFRS 7, Financial Instruments: Disclosures, IAS 19, Employee Benefits, and IAS 34 Interim Financial Reporting.

On January 1, 2016 the Company adopted the following new and amended standards.

IAS 1, Presentation of Financial Statements, has been amended to clarify the guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets, have been amended to (i) clarify that the use of revenue based depreciation and amortization method is not appropriate, and to (ii) provided a rebuttable presumption that amortization of an intangible asset based on revenue generated by using the asset is inappropriate.

# **YELLOWHEAD MINING INC.**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**Three months ended March 31, 2016**

*(Unaudited)*

*(In Canadian dollars)*

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IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures, have been amended to address an inconsistency between IFRS 10 and IAS 28 in regards to a sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is now recognized when the transaction involves a business combination and only a partial gain is recognized when the transaction involves assets that do not constitute a business. The amendments clarify the exception from preparing consolidated financial statements, the consolidation requirements for subsidiaries which act as an extension of an investment entity, and the requirements for equity accounting for investments in associates and joint ventures.

IFRS 11, Accounting for Acquisitions of Interests in Joint Operations, has been amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

The adopting of these improvements did not have a material impact on these interim consolidated financial statements.

### **(e) New standards and interpretations not yet adopted.**

No new or amended accounting standards or interpretations were issued during the three months ended March 31, 2016 that are applicable to the Company in future periods. A description of accounting standards and interpretations that will be adopted by the Company in future periods can be found in the notes to the annual consolidated financial statements for the year ended December 31, 2015.

## **3. FINANCIAL INSTRUMENTS**

### **Designation and valuation of financial instruments**

The Company has designated its cash and cash equivalents and accounts receivable as loans-and-receivables; and accounts payable and accrued liabilities and due to related parties as other-financial-liabilities.

GST receivable is excluded from financial instruments as it arises from statutory requirements imposed by the Government of Canada.

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of the short-term maturity of these financial instruments.

The following table summarizes the designation 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 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

# YELLOWHEAD MINING INC.

## Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

### 3. FINANCIAL INSTRUMENTS (CONTINUED)

The Company does not have any financial instruments included in Level 1, 2 and 3.

The Company's financial instruments as at March 31, 2016 are as follows:

	As at	
	March 31, 2016	December 31, 2015
<b>Financial assets</b>		
Loans-and-receivables		
Cash and cash equivalents	\$ 1,000,828	\$ 1,299,391
Accounts receivable	-	3,802
<b>Total financial assets</b>	<b>\$ 1,000,828</b>	<b>\$ 1,303,193</b>
<b>Financial liabilities</b>		
Other-financial-liabilities		
Accounts payable and accrued liabilities	\$ 279,942	\$ 294,140
<b>Total financial liabilities</b>	<b>\$ 279,942</b>	<b>\$ 294,140</b>

#### Financial Risk

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

##### (a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents; however, this is minimized as cash and cash equivalents are placed with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency.

##### (b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they become due.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they are due. This is achieved by ensuring that no liabilities are incurred that the Company does not have the ability to discharge in 30 days or less. The Company also has policies in place that establish minimum working capital levels below which expenditures of the Company are reduced until the minimum working capital level is re-established.

As at March 31, 2016 the Company had cash and cash equivalents of \$1,000,828 (December 31, 2015 - \$1,299,391) available to settle current liabilities of \$279,942 (December 31, 2015 - \$294,140). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

# YELLOWHEAD MINING INC.

## Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

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### 3. FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Market risk

Market risks consist of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to foreign currency risk or other price risks.

#### *Interest rate risk*

The Company's cash balance and cash equivalents is held in savings accounts and money market instruments respectively. The savings account and money market instruments pay interest of less than 0.5%.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

### 4. CAPITAL MANAGEMENT

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 development and exploration of Harper Creek and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The capital structure of the Company currently consists of common shares and stock options. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or new shares. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management and the Company is not subject to any externally imposed capital requirements.

The Company's investment policy is to hold its cash in high interest savings accounts and highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, all held with major Canadian financial institutions.

### 5. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2016	2015
Assaying	\$ 225	\$ 7,529
Contract wages	9,414	2,055
Environmental assessment	-	426,826
Equipment rental	10,455	10,282
Reports, drafting and maps	-	2,507
Other	1,916	6,719
<b>Total exploration and evaluation expenses</b>	<b>\$ 22,010</b>	<b>\$ 455,918</b>

## YELLOWHEAD MINING INC.

### Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

#### 6. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software	Furniture and fixtures	Field camp equipment	Land	Total
<b>Cost</b>					
As at January 1, 2016	\$ 63,812	\$ 49,431	\$ 437,157	\$ 2,222,729	\$ 2,773,129
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2016	63,812	49,431	437,157	2,222,729	2,773,129
<b>Accumulated depreciation</b>					
As at January 1, 2016	54,024	35,051	428,693	-	517,768
Depreciation	1,752	4,652	2,294	-	8,698
Disposals	-	-	-	-	-
As at March 31, 2016	55,776	39,703	430,987	-	526,466
<b>Net book value as at March 31, 2016</b>	<b>\$ 8,036</b>	<b>\$ 9,728</b>	<b>\$ 6,170</b>	<b>\$ 2,222,729</b>	<b>\$ 2,246,663</b>

	Computer equipment and software	Furniture and fixtures	Field camp equipment	Land	Total
<b>Cost</b>					
As at January 1, 2015	\$ 66,460	\$ 52,371	\$ 437,157	\$ 2,222,729	\$ 2,778,717
Additions	-	-	-	-	-
Disposals	(2,648)	(2,940)	-	-	(5,588)
As at December 31, 2015	63,812	49,431	437,157	2,222,729	2,773,129
<b>Accumulated depreciation</b>					
As at January 1, 2015	45,927	27,100	414,188	-	487,215
Depreciation	10,745	10,376	14,505	-	35,626
Disposals	(2,648)	(2,425)	-	-	(5,073)
As at December 31, 2015	54,024	35,051	428,693	-	517,768
<b>Net book value as at December 31, 2015</b>	<b>\$ 9,788</b>	<b>\$ 14,380</b>	<b>\$ 8,464</b>	<b>\$ 2,222,729</b>	<b>\$ 2,255,361</b>

#### 7. MINERAL INTERESTS

The Company had mineral interests of \$885,235 as at March 31, 2016 and December 31, 2015. On January 31, 2014 the Company extended all 131 of its mineral tenures through to November 3, 2024.

As per current legislation in relation with the Company's exploration permit the Company is required to lodge a reclamation bond with the Government of British Columbia. As at March 31, 2016 the reclamation bond lodged was \$85,000 (December 31, 2015 - \$85,000).

# YELLOWHEAD MINING INC.

## Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

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### 8. SHARE CAPITAL

#### (a) Authorized

Unlimited Class A common shares without par value

#### (b) Issued and outstanding

At March 31, 2016 the Company had 123,757,157 common shares issued and outstanding (December 31, 2015 - 123,757,157).

#### (c) Stock options

The Company implemented a new stock option plan on April 19, 2012, whereby the Board of Directors of the Company may grant directors, officers, employees, and consultants stock options to acquire common shares of the Company. Under the stock option plan, options granted are non-assignable and may be granted for a term not exceeding ten years. The plan is administered by the Board of Directors, which determines individual eligibility under the plan, the number of shares reserved underlying the options granted to each individual (not exceeding 10% of issued and outstanding shares to any insider; not exceeding 2% of the issued and outstanding shares to any consultant) and any vesting period which, pursuant to the stock option plan can be determined and imposed by the Board of Directors. The plan provides for a rolling maximum and allows the Company to issue stock options up to a maximum of 10% of the Company's issued and outstanding common shares.

The movement in the Company's stock options for the three months ended March 31, 2016 was as follows:

	<u>Number of options</u>	<u>Weighted average exercise price</u>
<b>Outstanding, December 31, 2014</b>	4,712,500	\$ 0.83
Forfeited	(41,670)	0.54
Expired	(2,145,830)	0.90
<b>Outstanding, December 31, 2015</b>	2,525,000	0.78
Exercised	-	-
Forfeited	-	-
Expired	<b>(100,000)</b>	<b>1.08</b>
<b>Outstanding, March 31, 2016</b>	<b>2,425,000</b>	<b>\$ 0.77</b>

## YELLOWHEAD MINING INC.

### Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

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#### 8. SHARE CAPITAL (CONTINUED)

The Company's outstanding and exercisable stock options as at March 31, 2016 are as follows:

Exercise price	Outstanding		Exercisable	
	Number outstanding	Weighted average remaining life (years)	Number exercisable	Weighted average remaining life (years)
\$0.24	640,000	1.54	640,000	1.54
\$0.26	500,000	2.25	333,333	2.25
\$0.60	30,000	1.87	30,000	1.87
\$1.25	1,255,000	0.33	1,255,000	0.33
	<b>2,425,000</b>	<b>1.06</b>	<b>2,258,333</b>	<b>0.93</b>

##### (d) Share-based compensation

During the three months ended March 31, 2016 and March 31, 2015, the Company did not grant any stock options.

During the three months ended March 31, 2016, the Company recorded a share-based compensation expense (recovery) of \$2,080 (March 31, 2015 - \$(472)). 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.

#### 9. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these financial statements are as follows:

- During the three months ended March 31, 2016, the Company paid and accrued project management fees, exploration expenses and office costs of \$10,455 (March 31, 2015 - \$13,803) to CME Consultants Inc., a contractor company whose president is a director of the Company's 100% owned subsidiary Harper Creek Mining Corp. These costs have been included in exploration and evaluation expenses.
- During the three months ended March 31, 2016, the Company paid professional fees of \$5,985 (March 31, 2015 - \$nil) to David M. McGoey Professional Corporation for CFO services. These costs have been included in professional fees.
- During the three months ended March 31, 2016, the Company paid and accrued management fees of \$nil (March 31, 2015 - \$13,500 to Twinstone Ventures Inc., a company related to the Chairman of the Board of Directors of the Company. These costs have been included in wages and benefits).

These transactions, occurring in the normal course of operations are measured at the estimated fair value of the services provided or goods received.

## YELLOWHEAD MINING INC.

### Notes to the Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2016

(Unaudited)

(In Canadian dollars)

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#### 10. SUPPLEMENTAL CASH FLOW INFORMATION

	Three -months ended March 31, 2016	Three -months ended March 31, 2015
<b>Supplementary Information</b>		
Interest received	\$ -	\$ 7,384

The Company did not have any non-cash financing or investing activities for the three months ended March 31, 2016 and March 31, 2015.

	As at	
	March 31, 2016	December 31, 2015
<b>Cash and cash equivalents</b>		
Cash	\$ 1,000,828	\$ 1,299,391
<b>Total cash and cash equivalents</b>	\$ 1,000,828	\$ 1,299,391

#### 11. COMMITMENT

As at March 31, 2016, the Company has a commitment related to the minimum rental and operating expenses payments for the Company's office space in downtown Vancouver. The lease was effective September 1, 2011 and concludes on August 31, 2016. The commitment to the August 2016 expiry is \$54,800.

#### 12. CONTINGENCIES

Due to the nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, these matters will not have a material effect on the condensed consolidated interim financial statements of the Company.