



YELLOWHEAD MINING INC.

YELLOWHEAD MINING INC. Condensed Consolidated Interim Financial Statements September 30, 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 and nine months ended September 30, 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	
		September 30, 2016	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents	10	\$ 754,115	\$ 1,299,391
Accounts receivable	9	-	3,802
GST receivable		4,069	4,938
Prepaid expenses and deposits		17,618	103,092
		775,802	1,411,223
Non-current assets			
Property, plant and equipment	6	2,222,729	2,255,361
Mineral interests	7	885,235	885,235
Reclamation bond	7	85,000	85,000
		3,192,964	3,225,596
TOTAL ASSETS		\$ 3,968,766	\$ 4,636,819
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 257,911	\$ 294,140
		257,911	294,140
EQUITY			
Share capital	8	59,793,013	59,793,013
Equity reserves		5,338,599	5,334,416
Accumulated deficit		(61,420,757)	(60,784,750)
		3,710,855	4,342,679
TOTAL LIABILITIES AND EQUITY		\$ 3,968,766	\$ 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:

"Glen Swail"

DIRECTOR

"Ryan Jennings"

DIRECTOR

YELLOWHEAD MINING INC.

Condensed Consolidated Interim Statement of Comprehensive Loss

(Unaudited)

(In Canadian dollars)

		Three months ended September 30,	Three months ended September 30,	Nine months ended September 30,	Nine months ended September 30,
	NOTES	2016	2015	2016	2015
Administrative expenses					
Consulting fees		\$ -	\$ -	\$ -	\$ 173,418
Depreciation	6	15,234	8,937	32,630	26,848
Filing fees		5,322	2,370	37,186	30,832
Insurance		9,699	10,937	29,096	32,812
Office supplies and services		7,802	10,794	27,702	45,156
Professional fees	9	25,185	10,780	95,439	57,935
Rent		19,884	31,981	86,024	94,400
Share-based compensation	8	23	2,287	4,183	9,837
Travel and investor relations		1,924	5,105	10,086	40,200
Wages and benefits	9	38,257	202,000	219,143	809,254
		123,330	285,191	541,489	1,320,692
Exploration and maintenance expenses					
	5,9	31,976	35,369	97,574	800,619
Other (income)/expense					
Interest income		(1,212)	(2,873)	(3,056)	(14,735)
Interest expense			3,913		3,913
Other (income)/expenses		-	-		(897)
Net loss and comprehensive loss		\$ 154,094	\$ 321,600	\$ 636,007	\$ 2,109,592
Loss per share					
Basic and diluted		\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.02
Weighted average number of shares outstanding					
Basic and diluted		123,757,157	99,005,726	123,757,157	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)

	<u>Number of shares</u>	<u>Share capital</u>	<u>Equity reserves</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balances as at January 1, 2016	123,757,157	\$ 59,793,013	\$ 5,334,416	\$ (60,784,750)	\$ 4,342,679
Shares issued for:					-
Share-based compensation	-	-	4,183	-	4,183
Net loss and comprehensive loss for the period	-	-	-	(636,007)	(636,007)
Balances as at September 30, 2016	123,757,157	\$ 59,793,013	\$ 5,338,599	\$ (61,420,757)	\$ 3,710,855
Balances as at January 1, 2015	99,005,726	\$ 58,743,984	\$ 5,322,477	\$ (58,061,521)	\$ 6,004,940
Shares issued for:					-
Rights offering	24,751,431	1,049,029	-	-	1,049,029
Share-based compensation	-	-	9,837	-	9,837
Net loss and comprehensive loss for the period	-	-	-	(2,109,592)	(2,109,592)
Balances as at September 30, 2015	123,757,157	\$ 59,793,013	\$ 5,332,314	\$ (60,171,113)	\$ 4,954,214

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)

	NOTES	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Operating activities			
Net Loss for the period		\$ (636,007)	\$ (2,109,592)
Items not involving cash:			
Share-based compensation	8	4,183	9,837
Depreciation		32,630	26,848
Changes in non-cash working capital			
Accounts receivable		3,802	(72,782)
GST receivable		869	25,810
Prepaid expenses and deposits		85,476	35,814
Accounts payable and accrued liabilities		(36,229)	(758,700)
Due to related parties	9	-	(15,568)
Cash used in operating activities		(545,276)	(2,858,333)
Investing activities			
Acquisition of property, plant and equipment	6	-	-
Cash used in investing activities		-	-
Financing activities			
Loan advance		-	300,000
Loan repayment		-	(300,000)
Common shares issued		-	1,049,029
Cash provided by financing activities		-	1,049,029
Net decrease in cash and cash equivalents		(545,276)	(1,809,304)
Cash and cash equivalents, beginning of period		1,299,391	1,299,391
Cash and cash equivalents, end of period		\$ 754,115	\$ (509,913)

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

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

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 8th 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 nine month period ended September 30, 2016, the Company incurred a loss of \$636,007 (September 30, 2015-\$2,109,592), had working capital of \$517,891 (December 31, 2015-\$1,117,083) and an accumulated deficit of \$61,420,757 (December 31, 2015-\$60,784,750).

On September 15, 2016 the Company was informed that the TSX is reviewing the common shares of the Company with respect to meeting the continued listing requirement of incurring a minimum of \$350,000 in expenditures on its mineral projects during the past year. The Company has been granted 120 days in which to regain compliance with this requirement, pursuant to the Remedial Review Process, or its common shares will be delisted from the TSX. At the present time, the Board of Directors of the Company intends to keep the Project on care and maintenance for the foreseeable future, including through the balance of 2016, until such time as more favorable commodity and capital markets exist that would permit the development of the Project to continue.

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 maintaining 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

YELLOWHEAD MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

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 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 November 2, 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.

YELLOWHEAD MINING INC.

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Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

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.

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 nine months ended September 30, 2016 that are applicable to the Company at this time. 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 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:

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Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

- 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.

The Company's financial instruments as at September 30, 2016 are as follows:

	As at	
	September 30, 2016	December 31, 2015
Financial assets		
Loans-and-receivables		
Cash and cash equivalents	\$ 754,115	\$ 1,299,391
Accounts receivable	-	3,802
Total financial assets	\$ 754,115	\$ 1,303,193
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	\$ 257,911	\$ 294,140
Total financial liabilities	\$ 257,911	\$ 294,140

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 September 30, 2016 the Company had cash and cash equivalents of \$754,115 (December 31, 2015 - \$1,299,391) available to settle current liabilities of \$257,911 (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.

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Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

(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 MAINTENANCE EXPENSES

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Assaying	\$ 225	\$ 751	\$ 600	\$ 15,541
Camp supplies	-	19	-	1,083
Contract wages	9,511	2,779	27,698	17,230
Environmental assessment	-	17,770	-	667,571
Equipment rental	10,872	10,405	31,921	31,044
Reports, drafting and maps	-	-	500	2,507
Other	11,368	3,645	36,855	65,643
Exploration and maintenance expenses	\$ 31,976	\$ 35,369	\$ 97,574	\$ 800,619

YELLOWHEAD MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software	Furniture and fixtures	Field camp equipment	Land	Total
Cost					
As at January 1, 2016	\$ 63,812	\$ 49,431	\$ 437,157	\$ 2,222,729	\$ 2,773,129
Additions	-	-	-	-	-
Disposals	(63,812)	(49,431)	-	-	(113,243)
As at September 30, 2016	-	-	437,157	2,222,729	2,659,886
Accumulated depreciation					
As at January 1, 2016	54,024	35,051	428,693	-	517,768
Depreciation	9,788	14,380	8,464	-	32,632
Disposals	(63,812)	(49,431)	-	-	(113,243)
As at September 30, 2016	-	-	437,157	-	437,157
Net book value as at September 30, 2016	\$ -	\$ -	\$ -	\$2,222,729	\$2,222,729

	Computer equipment and software	Furniture and fixtures	Field camp equipment	Land	Total
Cost					
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
Accumulated depreciation					
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
Net book value as at December 31, 2015	\$ 9,788	\$ 14,380	\$ 8,464	\$2,222,729	\$2,255,361

7. MINERAL INTERESTS

The Company had mineral interests of \$885,235 as at September 30, 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 September 30, 2016 the reclamation bond lodged was \$85,000 (December 31, 2015 - \$85,000).

YELLOWHEAD MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

8. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value

(b) Issued and outstanding

At September 30, 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 nine months ended September 30, 2016 was as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2014	4,712,500	\$ 0.83
Forfeited	(41,670)	0.54
Expired	(2,145,830)	0.90
Outstanding, December 31, 2015	2,525,000	0.78
Exercised	-	-
Forfeited	-	-
Expired	(1,077,000)	1.14
Outstanding, September 30, 2016	1,448,000	\$ 0.52

YELLOWHEAD MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

The Company's outstanding and exercisable stock options as at September 30, 2016 are as follows:

Exercise price	Outstanding		Exercisable	
	Number outstanding	Weighted average remaining life (years)	Number exercisable	Weighted average remaining life (years)
\$0.24	538,000	1.33	538,000	1.33
\$0.26	500,000	1.75	500,000	1.75
\$0.60	30,000	1.37	30,000	1.37
\$1.25	380,000	0.48	380,000	0.48
	1,448,000	1.25	1,448,000	1.25

(d) Share-based compensation

During the nine months ended September 30, 2016 and September 30, 2015, the Company did not grant any stock options.

During the nine months ended September 30, 2016, the Company recorded a share-based compensation expense of \$4,183 (September 30, 2015 - \$9,837). 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 nine months ended September 30, 2016, the Company paid project management fees, exploration expenses and office costs of \$31,921 (September 30, 2015 - \$34,444) 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 maintenance expenses.
- During the nine months ended September 30, 2016, the Company paid professional fees of \$18,245 (September 30, 2015 - \$nil) for CFO services to David M. McGoey Professional Corporation. These costs have been included in professional fees.
- During the nine months ended September 30, 2016, the Company paid and accrued management fees of \$nil (September 30, 2015 - \$34,200) 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.
- As at September 30, 2016 there were \$nil (September 30, 2015 - \$2,363) in accounts payables for related party transactions.

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

Nine months ended September 30, 2016

(Unaudited)

(In Canadian dollars)

10. SUPPLEMENTAL CASH FLOW INFORMATION

Supplementary Information	Nine months ended	
	September 30,	
	2016	2015
Interest received	\$ 3,056	\$ 15,078
Interest paid	-	3,913
Income taxes paid	-	-

The Company did not have any non-cash financing or investing activities for the nine months ended September 30, 2016 and September 30, 2015.

Cash and cash equivalents	As at	
	September 30,	December 31,
	2016	2015
Cash	\$ 61,615	\$ 1,299,391
Short term money market investments	692,500	-
Total cash and cash equivalents	\$ 754,115	\$ 1,299,391

11. COMMITMENT

As at September 30, 2016, the Company has no commitments. The office lease concluded on August 31, 2016.

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 do not have a material effect on the condensed consolidated interim financial statements of the Company as at September 30, 2016.