



Newlox Gold Ventures Corp.

September 30, 2016 and 2015

Consolidated Financial Statements

(Expressed in Canadian Dollars)

- Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Loss
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- Consolidated Statements of Cash Flows
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NOTICE OF NO AUDITOR REVIEW OF CONDENSED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Jeffrey Benavides"
Chief Financial Officer

November 29, 16

Newlox Gold Ventures Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	As at Sept 30, 2016	As at March 31, 2016
ASSETS		\$	\$
Current			
Cash		6,459	697
Accounts Receivable		25,552	-
GST Recoverable		4,414	-
Inventories	7	-	-
Total Current Assets		36,425	697
Non-Current			
Property, Plant and Equipment	8	853,992	828,899
Goodwill	2	1,201,740	1,201,740
Total Non-Current Assets		2,055,732	2,030,639
TOTAL ASSETS		2,092,157	2,031,336
LIABILITIES			
Current			
Accounts Payable and Accrued Liabilities		195,890	241,682
Advances		-	16,007
Due to Related Parties	13	338,958	319,266
Portion of Convertible Debentures – Principal	9	315,353	315,352
Current Portion of Convertible Debentures – Interest	9	52,950	33,137
Total Current Liabilities		903,151	925,444
Non-Current			
Convertible Debentures	9	-	-
Total Liabilities		903,151	925,444
SHAREHOLDERS' EQUITY			
Share Capital	10	2,268,786	2,017,991
Share Subscription Advance		15,000	-
Equity Component of Debentures	9	57,692	57,692
Foreign Currency Translation Reserve		333,129	353,213
Deficit		-1,485,601	-1,323,004
Total Shareholders' Equity		1,189,006	1,105,892
TOTAL EQUITY AND LIABILITIES		2,092,157	2,031,336

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

Approved on behalf of the Board:

“Ryan Jackson”
 Ryan Jackson, Director

“Jeffrey Benavides”
 Jeffrey Benavides, Director

Newlox Gold Ventures Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	For the period ended Sept 30, 2016	For the period ended Sept 30, 2015
		\$	\$
SALES		-	79,266
Cost of Sales		-	43,643
Gross Profit		-	35,623
EXPENSES			
Accretion	9	-	-
Bad Debts		-	-
Consulting Fees	13	1,442	31,307
Depreciation		21,996	33,385
Interest on Debentures	9	19,814	17,081
Management Fees	13	99,570	47,723
Office		12,537	15,111
Professional Fees		13,599	7,291
Tax Expense		-	-
Telephone		1,208	985
Transfer Agent and Filing Fees		6,596	14,541
Travel		4,873	58
Loss Before Other Items		-181,634	-131,859
Foreign Exchange Gain (Loss)		1,152	- 160
Gain on settlement of debt	1	17,885	-
Net Loss for the Period		- 162,598	- 132,019
Other Comprehensive Income for the Year – Foreign Currency Translation Gain		-20,084	31,027
Net Comprehensive Loss		- 182,681	- 100,992
Basic and Diluted Loss per Share		-	-
Weighted Average Number of Common Shares Outstanding		48,955,275	47,730,215

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

Newlox Gold Ventures Corp.
Statements of Changes in Shareholders' Equity
For the Periods Ended September 30, 2016 and 2015
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Share Subscription Advance	Share Purchase Warrants Reserve	Equity Component of Debentures	Foreign Currency Translation Reserve	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$	\$	\$	\$
Balance, March 31, 2015	45,702,893	1,871,991	50,000	-	71,405	94,075	-868,211	1,219,260
Shares Issued for Cash	3,000,000	150,000	50,000	-	-	-	-	100,000
Share Issuance Costs	-	4,000	-	-	-	-	-	4,000
Settlement of Convertible Debentures	-	-	-	-	71,405	-	6,476	64,929
Issuance of Convertible Debentures	-	-	-	-	61,600	-	-	61,600
Repayment of Convertible Debentures	-	-	-	-	5,325	-	-	5,325
Transaction Costs	-	-	-	-	1,417	-	-	1,417
Net Comprehensive Loss	-	-	-	-	-	259,138	461,269	202,131
Balance, March 31, 2016	48,702,893	2,017,991	-	-	57,692	353,213	-1,323,004	1,105,892
Shares Issued for Cash	4,274,379	213,719	-	-	-	-	-	213,719
Shares Issued for Debt	852,132	42,607	-	-	-	-	-	42,607
Shares Subscription Received	-	-	15,000	-	-	-	-	15,000
Share Issuance Costs	-	5,531	-	-	-	-	-	5,531
Net Comprehensive Loss	-	-	-	-	-	20,084	162,598	182,681
Balance, Sept 30, 2016	53,829,404	2,268,786	15,000	-	57,692	333,129	-1,485,602	1,189,005

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

Newlox Gold Ventures Corp.

Statements of Cash Flows

For the Periods Ended September 30, 2016 and 2015

(Expressed in Canadian Dollars)

	Note	For the Period ended Sept 30, 2016	For the Period ended Sept 30, 2015
		\$	\$
CASH PROVIDED FROM (UTILIZED FOR)			
Operating Activities			
Net Loss for the Period		-182,681	-100,992
Non-Cash Items			
Accretion		-	-
Accounts Receivable		-	-
Depreciation		21,996	33,385
Impairment of Property, Plant and Equipment		-	-
Impairment of Mineral Property		-	-
Total		-160,685	-67,607
Changes in Non-Cash Working Capital Accounts			
Inventories		-	12,290
Accounts Receivable		-25,552	1,173
Advances		-16,007	0
GST Recoverable		-4,414	5,901
Accounts Payables and Accrued Liabilities		-45,792	55,601
Due to Related Parties		19,692	76,079
Net cash used in operations		-232,758	69,289
Investing Activities			
Purchase of Property, Plant and Equipment		-47,089	176,832
Cash of Subsidiary from Business Acquisition	2	-	-
Net cash used from Investing Activities		-47,089	-176,832
Financing Activities			
Convertible Debentures		19,814	18,291
Shares Issued for Cash, Net of Issuance Costs		250,795	146,000
Share Subscription Advance		15,000	50,000
Net cash used from Financing Activities		285,609	77,709
(Decrease) Increase In Cash		5,762	-29,834
Effect of Exchange Rate Changes on Cash		-	-
Cash, Beginning of the Period		697	31,055
Cash, End of the Period		6,459	1,221

Supplemental Cash Flow Information (Note 6)

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

NEWLOX GOLD VENTURES CORP.

Notes to the Consolidated Financial Statements

September 30, 2016 and 2015.

(Expressed in Canadian Dollars)



NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Newlox Gold Ventures Corp. (the “Company” or “Newlox”) was incorporated on April 7, 2011. Pursuant to an arrangement agreement dated April 8, 2011 between the Company and Tulox Resources Inc. (“Tulox”), the Company was assigned interest in mineral claims in British Columbia, Canada, and commenced operations as a mineral property exploration company. During the year ended March 31, 2014, the Company terminated its interest in the mineral claims and wrote off the carrying value of the mineral property.

The Company’s business has since evolved from a mining property exploration company to an environmental reclamation and mineral recovery company pursuing business opportunities in Central and South America. As part of its reclamation business, the Company is applying innovative technologies to re-process historical tailings to achieve soil remediation and metals extraction (Note 2).

The head office, principal address, and records office of the Company are located at 1202-1875 Robson Street, Vancouver, BC, V6G 1E5, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast material uncertainties on the Company’s ability to continue as a going concern.

The Company's continuing operations, as intended, and its financial success is dependent upon its ability to generate profits from its tailing reclamation program and the continuing financial support of its shareholders, creditors, and related parties to finance its operations and expansion activities. From inception to date, the Company has incurred losses from operations and has accumulated losses of \$1,485,601 and a working capital deficiency of \$866,726 as at September 30, 2016, and a negative cash flow from operations of \$232,758 for the period then ended. There is no assurance that the Company will be successful with generating and maintaining profitable operations, or able to secure future debt or equity financing for its working capital and expansion activities.

These consolidated financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

NOTE 2 – BUSINESS ACQUISITION

On April 14, 2014, the Company acquired Oro Roca, S.A. (“Oro Roca”), a Costa Rica based precious metals trading and environmental reclamation company, by way of purchasing all issued and outstanding shares of Oro Roca in exchange for 20,000,000 common shares of the Company at a deemed price of \$0.05 per share for total consideration of \$1,000,000. Included in the common shares issued were 2,325,000 shares issued to a Director of Newlox and 100,000 shares issued to another Director of the Company.

These consolidated financial statements include the financial statements of Oro Roca commencing from the date of acquisition on April 14, 2014.

NOTE 2 – BUSINESS ACQUISITION (Continued)

The purchase price of the acquisition has been allocated to the fair value of the net assets of Oro Roca as follows:

	\$
Cash	135,777
Accounts Receivable	28,145
Inventories	66,641
Property, Plant and Equipment	203,988
Goodwill	959,621
Due to Newlox	(354,843)
Due to Related Party	(39,329)
	<hr/>
Total Consideration	<u>1,000,000</u>

Goodwill was recognized as the excess of the acquisition cost over the fair value of the identifiable net assets at the date of the acquisition. The goodwill recognized is attributable to the expected synergies and growth potential in applying innovative processing technologies to historical tailings to achieve precious metals extraction and soil remediation in Latin America.

During the year ended March 31, 2016, the carrying value of the goodwill increased by \$242,119 as a result of foreign currency translation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 29, 16.

b) Basis of Preparation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. Cost is the fair value of the consideration paid or payable at the date of acquisition.

c) Basis of Consolidation

The consolidated financial statements includes the accounts of Newlox and its wholly owned subsidiary (collective, the "Company"). The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Holding	Functional Currency
Newlox Gold Ventures Corp.	Canada	Parent Company	Canadian Dollar
Oro Roca, S.A.	Costa Rica	100%	Costa Rican Colones

Intercompany balances and transactions are eliminated in preparing these consolidated financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 3(c)) and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

e) Business Combination

An acquisition of business is accounted for using the acquisition method. The cost of the acquisition is measured as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

The Company recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to that acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets, and represents the excess of acquisition cost over the fair value of the identifiable net assets of the acquiree at the date of the acquisition. If the fair value of identifiable net assets exceed the acquisition cost, the excess amount is recognized immediately in profit or loss as a bargain purchase gain.

f) Inventories

Inventories consist of gold and gold concentrate, and are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any cost of sale. Cost includes expenses directly attributable to the manufacturing process as well as an allocation of related production overheads based on normal operating capacity. Cost of ordinarily interchangeable items are determined on a first-in-first-out basis.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, Plant and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized to write off the cost of the property and equipment less their residual values over their useful lives using the straight-line method at various rates ranging from 3 years to 10 years. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

h) Goodwill

Goodwill is measured at cost less accumulated impairment losses. On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds such net assets (Note 3(e)). Goodwill arising on an acquisition is capitalized and subject to impairment review annually and when there are indications that the carrying value may not be recoverable.

i) Impairment of Property, Plant and Equipment and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the cash generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized as income immediately.

j) Convertible Debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the "residual valuation" method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to net loss.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. As at September 30, 2016 and 2015, the Company has no material provisions.

l) Share Capital and Share Subscription Advance

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Share subscription advance represent proceeds received for shares that have not yet been issued as at the reporting date.

m) Loss per Share

Loss per share is calculated using the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

n) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital. The fair value of unexercised equity instruments are transferred from reserve to retained earnings upon expiry.

o) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for gold sales. Revenue is recognized when the risk and rewards of ownership have passed to the buyer and to the extent that collection is reasonably assured.

p) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Income Taxes (Continued)

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

q) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Financial Instruments (Continued)

i) Financial Assets (Continued)

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company does not hold financial assets in this category.
- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and accounts receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company does not hold financial assets in this category.

Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in other categories of financial assets. The Company does not hold financial assets in this category.

Available-for-sale financial assets are measured initially at fair value. The Company's investments in equity instruments are subsequently measured at cost as they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

For financial assets measured at amortized cost, if in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Financial Instruments (Continued)

i) Financial Assets (Continued)

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

- **Financial liabilities at fair value through profit or loss** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.
- **Other financial liabilities** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payables and accrued liabilities, amounts due to related parties, and convertible debentures fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

f) Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the past year. These reclassifications have no effect on the consolidated net loss for the year ended March 31, 2016.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS
(Continued)

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

a) Impairment of Property, Plant and Equipment and Goodwill

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. Judgment is required to determine if there exists indications of impairment. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

b) Useful Lives of Property, Plant and Equipment

Management reviews the useful lives of property, plant and equipment at each reporting date, based on the expected utility of these assets to the Company. The useful lives of these assets may be shortened due to future technological developments.

c) Business Combination

Judgment is required to determine if an acquisition constitutes a business combination as defined by IFRS. On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in the income statement in the subsequent period.

d) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

e) Foreign Currency Translation

Judgment is required to determine the functional currency of the Company and its subsidiary. The Company determined that the functional currency of its subsidiary is the Costa Rican Colones as this is the currency that most faithfully represents the economic effects of its underlying transactions, events and conditions.

NOTE 5 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company’s consolidated financial statements. The Company intends to adopt the following standards when they become effective. The Company has not yet determined the impact of this standard on its consolidated financial statements.

a) IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018.

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively, and improve guidance for multiple-element arrangements. The standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively.

c) IFRS 16 – Leases

This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

NOTE 6 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

	Sept 2016	Mar 2016
	\$	\$
Shares Issued for Business Acquisition	-	-

b) Other Items

	Sept 2016	Mar 2016
	\$	\$
Interest Paid	-	9,520

NOTE 7 – INVENTORIES

	Sept 2016	Mar 2016
	\$	\$
Gold	-	-
Gold Concentrate	-	-

NEWLOX GOLD VENTURES CORP.

Notes to the Consolidated Financial Statements

September 30, 2016 and 2015.

(Expressed in Canadian Dollars)

**NOTE 8 – PROPERTY, PLANT AND EQUIPMENT**

	Vehicles	Office Furniture and Equipment	Computer Equipment and Software	Trading Facilities	Processing Facilities	Equipment	Tools	Total
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, March 31, 2015	42,528	515	3,783	-	474,861	173,569	4,483	699,739
Additions	-	-	-	-	167,324	28,723	152	196,199
Impairment	- 12,100	-	-	-	-	-	-	12,100
Foreign Currency Translation	1,208	15	112	-	14,067	5,141	134	20,677
Balance, March 31, 2016	31,636	530	3,895	-	656,252	207,433	4,769	904,515
Additions	29,108	-	411	-	51,331	-	-	80,851
Disposal	- 19,901	-	-	-	-	-	-	19,901
Foreign Currency Translation	3,815	- 16	- 114	-	17,988	- 6,016	- 139	20,457
Balance, September 30, 2016	44,658	514	4,192	-	689,596	201,417	4,630	945,008
ACCUMULATED DEPRECIATION								
Balance, March 31, 2015	1,887	80	551	-	16,314	6,811	206	25,849
Depreciation	8,563	148	1,024	-	-	37,703	382	47,820
Foreign Currency Translation	251	9	67	-	483	1,113	24	1,947
Balance, March 31, 2016	10,701	237	1,642	-	16,797	45,627	612	75,616
Depreciation	- 1,034	74	558	-	-	17,408	198	17,204
Disposals	- 4,792	- 4,792	- 4,792	- 4,792	- 4,792	- 4,792	- 4,792	33,544
Foreign Currency Translation	4,433	4,787	4,757	4,792	4,305	3,887	4,779	31,740
Balance, June 30, 2016	9,309	306	2,165	-	16,310	62,129	797	91,016
NET BOOK VALUE								
March 31, 2016	20,935	293	2,253	-	639,455	161,806	4,157	828,899
September 30, 2016	35,350	208	2,027	-	673,286	139,287	3,833	853,992

NOTE 9 – CONVERTIBLE DEBENTURES

	Liability Component \$	Carrying Value		Total \$
		Liability Component \$	Equity Component \$	
Balance, March 31, 2014	-	-	-	-
Issuance of Debentures	385,000	305,692	79,308	385,000
Transaction Costs	-	(7,940)	(2,060)	(10,000)
Repayment of Debentures	(37,312)	(37,312)	(5,843)	(43,155)
Accretion	-	24,440	-	24,000
Interest	14,373	14,373	-	14,373
Balance, March 31, 2015	362,061	299,253	71,405	370,658
Issuance of Debentures	54,393	40,171	14,222	54,393
Gain on settlement of debt	-	(78,203)	-	(78,203)
Repayment of Debentures	(35,372)	(30,047)	(5,325)	(35,372)
Accretion	-	75,477	-	75,477
Interest	36,372	36,372	-	36,372
Amortization of Transaction Costs	-	5,466	1,417	6,883
Balance, March 31, 2016	417,454	348,489	81,719	430,208
Interest	-	9,853	-	9,853
Balance, September 30, 2016	417,454	358,342	81,719	440,061

On November 14, 2014, the Company issued \$385,000 of convertible debentures (the “2014 Debentures”). The principal amount of the Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on November 14, 2016, at \$0.10 per common share. The 2014 Debentures are subject to a simple interest rate of 10% per annum, payable together with quarterly blended payments, and are secured by a general security agreement on all of the Company’s present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2014 Debentures at any time, subject to the 2014 Debenture holdings being able to convert within 10 days from receiving such notice.

In connection to the 2014 Debenture financing, the Company issued 7,700,000 share purchase warrants to the debenture holders with a term of two years. Each warrant is exercisable into one common share of the Company at \$0.05 per share in the first year, and at \$0.15 per share in the second year.

On issuance of the 2014 Debentures, the Company determined the fair value of the liability component was \$305,692 using a discount rate of 34.66% and allocated the residual to the equity component.

In May 2015, the Company entered into a deferral agreement with all 2014 Debenture holders to defer the May 31, 2015 principal and interest quarterly blended payments of approximately \$45,000 to November 14, 2016.

On October 30, 2015 the Company issued \$54,393 of convertible debentures (the “2015 Debentures”). The principal amount of the 2015 Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on April 30, 2017, at \$0.05 per common share. The 2015 Debentures are subject to a simple interest rate of 12% per annum payable quarterly and are secured by a general security agreement on all of the Company’s present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2015 Debentures at any time, subject to the 2015 Debenture holdings being able to convert within 10 days from receiving such notice.

NOTE 9 – CONVERTIBLE DEBENTURES (Continued)

On issuance of the 2015 Debentures, the Company determined the fair value of the liability component was \$40,171 using a discount rate of 32.5% and allocated the residual to the equity component.

On November 14, 2015, the Company amended their 2014 Debentures. The amended terms are the 2014 Debentures will be subject an increased rate of interest from 10% to 12%. The maturity date will be extended from November 14, 2016 to May 14, 2017. The 7,700,000 share purchase warrants issued in connection with the 2014 Debenture financing will be exercisable into one common share of the Company at \$0.05 until the maturity date of May 14, 2017. The amendment was accounted for as an extinguishment of the original 2014 Debentures and the issuance of a new convertible debenture. On extinguishment, the Company recognized a gain of \$102,230 of which \$95,753 was allocated to the liability component and recognized in net loss, and \$6,476 was allocated to the equity component and recorded in deficit.

At September 30, 2016, there is accrued and unpaid interest of \$33,136 (March 2016 - \$6,181) relating to the 2014 and 2015 Debentures.

NOTE 10– SHARE CAPITAL

Authorized Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and Outstanding Common Shares

As at November 29, 16, the Company had 53,829,404 common shares issued and outstanding (March 31, 2016, 48,702,893) as presented in the consolidated statements of changes in shareholders' equity.

i) Shares Issued for Business Acquisition in Fiscal 2015

On April 14, 2014 the Company issued 20,000,000 common shares with a fair value of \$1,000,000 for the acquisition of Oro Roca (Note 2).

ii) Shares Issued for Cash in Fiscal 2015

On May 1, 2014 the Company issued 360,000 units at \$0.07 per unit for total proceeds of \$25,200 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 per share for a term of two years. The Company incurred \$2,520 in finder's fee.

On November 18, 2014 the Company issued 335,982 units at \$0.05 per unit for total proceeds of \$16,799 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.05 per share in the first year and \$0.15 in the second year.

iii) Shares Issued for Cash in Fiscal 2016

On May 25, 2015, the Company issued 1,000,000 units at \$0.05 per unit for total proceeds of \$50,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.10 per share for a term of two years. The proceeds for this private placement were received during the year ended March 31, 2015 and were included in subscriptions received.

On June 10, 2015, the Company issued 2,000,000 units at \$0.05 per unit for total proceeds of \$100,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.10 per share for a term of 2 years. The Company incurred \$4,000 in finder's fee for this private placement.

NOTE 10– SHARE CAPITAL (Continued)

iv) Shares Issued for Cash in Fiscal 2017

On May 24, 2016, the Company issued 3,634,379 units at \$0.05 per unit for total proceeds of \$ 181,718.95 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On Aug 09, 2016, the Company issued 220,000 units at \$0.05 per unit for total proceeds of \$ 11,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. Also, the Company issued 200,000 units at \$0.05 per unit for total proceeds of \$ 10,000 in connection with a Shares for Debt Transaction. Each unit consists of one common share and a total of 200,000 warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 300,000 common shares at \$0.05 each for total proceeds of \$15,000 in connection with a Shares for Debt Transaction.

On Sept 19, 2016, the Company issued 420,000 units at \$0.05 per unit for total proceeds of \$ 21,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. The Company incurred \$770 in finder's fee for this private placement as well as issue 15,400 Compensation Warrants on the same terms as the Warrants included in the Private Placement. Also, the Company issued 352,132 common shares at \$0.05 each for total proceeds of \$17,606.60 in connection with a Shares for Debt Transaction.

Share Purchase Warrants

The continuity of warrants as at November 29, 16, is as follows:

Expiry Date	Exercise Price	March, 2016	Issued	Exercised	Expired/ Cancelled	Nov, 2016
November 14, 2016	\$0.05	7,700,000	-	-	7,700,000	-
November 18, 2016	\$0.05	335,982	-	-	335,982	-
May 25, 2017	\$0.10	1,000,000	-	-	-	1,000,000
June 10, 2017	\$0.10	2,000,000	-	-	-	2,000,000
May 24, 2019	\$0.10	-	3,634,379	-	-	3,634,379
August 9, 2019	\$0.05	-	440,000	-	-	440,000
September 19, 2019	\$0.05	-	435,400	-	-	435,400
		11,035,982	4,509,779	-	8,035,982	7,509,779

The continuity of warrants for the year ended March 31, 2016 is as follows:

Expiry Date	Exercise Price	March, 2015	Issued	Exercised	Expired/ Cancelled	March, 2016
May 7, 2015	\$0.15	360,000	-	-	360,000	-
December 31, 2015	\$0.10	2,500,000	-	-	2,500,000	-
March 4, 2016	\$0.10	9,000,000	-	-	9,000,000	-
November 14, 2016	\$0.05	7,700,000	-	-	-	7,700,000
November 18, 2016	\$0.05	335,982	-	-	-	335,982
May 25, 2017	\$0.10	-	1,000,000	-	-	1,000,000
June 10, 2017	\$0.10	-	2,000,000	-	-	2,000,000
		19,895,982	3,000,000	-	11,860,000	11,035,982

NOTE 10– SHARE CAPITAL (Continued)

Finder’s Warrants

As at November 29, 16, the Company has no (2016 - Nil) common shares held in escrow.

Escrow Shares

As at November 29, 16, the Company has no (2016 - Nil) common shares held in escrow.

NOTE 11 – COMMITMENTS

The Company has entered into agreements to lease office and processing plant premises from February 2014 to May 2017. As at September 30, 2016, future minimum annual lease payments are as follows:

Fiscal Year	\$
2017	41,613
2018	1,706
	<u>43,319</u>

NOTE 12 – INCOME TAXES

a) Provision for Income Taxes

The income tax expense of the Company is reconciled to the net income for the year as reported in the consolidated statements of comprehensive loss as follows:

	Sept 2016	Mar 2016
	\$	\$
Net loss before tax	(182,681)	(249,070)
Expected Income Tax Recovery at Combined Canadian Statutory Tax Rates (2016 – 26%; 2015 – 26%)	(47,497)	(65,000)
Permanent Differences	-	-
Effect of Change in Tax Rates	-	-
Change in Valuation Allowance	-	49,000
Other	-	16,000
	<u>-</u>	<u>-</u>
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at September 30, 2016, and March 31, 2016, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Accordingly, the Company recorded deferred tax assets as follows:

Canadian Non-Capital Tax Losses Available	204,700	204,700
Financing Fees	11,500	11,500
Property, Plant and Equipment	7,800	7,800
Resource Deductions	34,800	34,800
Valuation Allowance	(258,800)	(258,800)
	<u>-</u>	<u>-</u>
Net Deferred Tax Assets	-	-

NOTE 12 – INCOME TAXES (Continued)

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The Company has recorded a full valuation allowance against its deferred tax assets because of uncertainty as to the realization of these assets. No provision for Costa Rican income taxes has been recorded as the Company is unable to accurately determine the amount of its loss carry forwards and other tax attributes at this time.

As at September 30, 2016, the Company had approximately \$1,194,639 of Canadian non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses expire between 2032 and 2036.

Tax attributes are subject to review, and potential adjustment by tax authorities.

NOTE 13 – RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements, are described as follows.

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

As at September 30, 2016 and March 31, 2016, the Company has the following amounts owing to related parties:

	Sep-16	Mar-16
	\$	\$
Due to a director and related companies for management and consulting fees (a)	42,614	42,615
Due to a director (also an officer) for management fees (b)	135,074	94,404
Due to a director (also an officer) for management fees (c)	-	10,500
Due to a director (also an officer) for advances to the Company (d)	150,830	161,307
Due to a director for management fees	1,056	1,056
Due to a company controlled by a former director for management fees	9,384	9,384
	338,958	319,266

- a) During the period ended September 30, 2016, the Company incurred management fees of \$Nil (March 2016 – \$Nil) to Don Gordon, a director, and his related companies. In addition, the Company wrote off \$Nil (March 2016 – \$Nil) on an amount owed by a company controlled by this director.
- b) During the period ended September 30, 2016, the Company incurred management fees of \$64,657 (March 2016 – \$103,649) to Ryan Jackson, a director and officer.
- c) During the period ended September 30, 2016, the Company incurred management fees of \$Nil (March 2016 – \$10,000) to David Carkeek, a director.
- d) During the period ended September 30, 2016, the Company incurred management fees of \$23,657 (March 2016 – \$36,000) to Jeffrey Benavides, a director and officer.

NOTE 13 – RELATED PARTY TRANSACTIONS (Continued)

Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, President and CFO. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the Directors, President and CFO, and by the issue of options.

	Sep-16	Mar-16
	\$	\$
Short-term employee benefits	88,314	149,649
Post employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	88,314	149,649

There was no other compensation paid or payable to key management for employee services.

NOTE 14 – SEGMENT INFORMATION

Since the acquisition of Oro Roca on April 14, 2014 (Note 2), the Company's operations consist of the development of a tailings reclamation and mineral recovery business and a precious metals trading program Costa Rica which comprise one reportable segment. During the period ended September 30, 2016 and 2015, the Company's sales were wholly derived from its precious metals trading program.

Geographic information

All of the Company's revenue and non-current assets pertain to the Company's operations in Costa Rica.

NOTE 15 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3(q). The Company's risk management is coordinated at its head office in Canada in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

b) Commodity Price Risk

The Company's revenues, earnings, and cash flows are directly related to the volume and price of precious metals sold and are sensitive to changes in market prices over which it has little or no control. The Company does not utilize financial derivatives or other contracts to manage commodity price risks.

NOTE 15 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash and accounts receivables is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities (Note 1).

e) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's convertible debentures are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

f) Fair Value

The carrying values of the Company's financial assets and liabilities approximate their fair values as at September 30, 2016 and 2015.

NOTE 16 – CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company manages its shareholders equity as capital. 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 expansion of its business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

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. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

The Company has no externally imposed capital requirements and has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the period ended September 30, 2016.

NOTE 17 – SUBSEQUENT EVENT

On October 13, 2016, the Company announced a Material Change with respect to the termination of a Letter of Intent ("LOI") which proposed the acquisition of 100% of the assets of Cordillera Gold Ltd. ("Cordillera") which was signed on the 12th of April, 2016. Additional information on this event is available on SEDAR in a Material Change Report (Form 51-102F3) dated October 13, 2016.