PARA RESOURCES INC.

Condensed Interim Consolidated Financial Statements
(Unaudited - expressed in Canadian Dollars)

For the Three and Six Months Ended February 29, 2016 and February 28, 2015

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

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

Para Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Notes	**February 29, 2016 $**	**August 31, 2015 $**
ASSETS			
Current assets			
Cash		162,897	22,882
Receivables		58,395	10,178
Prepaids		-	13,250
Total current assets		221,292	46,310
Non-current assets			
Deferred acquisition cost	4	3,563,698	756,582
Exploration and evaluation assets	5	1,278,084	1,074,695
Total non-current assets		4,841,782	1,831,277
TOTAL ASSETS		5,063,074	1,877,587
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		188,186	201,600
Due to related parties	8	71,126	291,012
Loans payable	6	2,847,306	1,978,067
TOTAL LIABILITIES		3,106,618	2,470,679
EQUITY (DEFICIT)			
Share capital	7	5,240,621	2,771,654
Share option and warrant reserve		893,682	301,482
Contributed surplus		3,146,108	3,146,108
Deficit		(7,300,894)	(6,788,526)
Accumulated other comprehensive (loss)		(23,061)	(23,810)
TOTAL EQUITY (DEFICIT)		1,956,456	(593,092)
TOTAL LIABILITIES AND EQUITY (DEFICIT)		5,063,074	1,877,587

Para Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Six Months Ended February 29, 2016 and February 28, 2015
(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended February 29, 2016 $	Three months ended February 28, 2015 $	Six months ended February 29, 2016 $	Six months ended February 28, 2015 $
Expenses					
Business investigation	4	144,337	-	210,690	-
Consulting	8	57,500	30,000	264,250	60,000
Office and miscellaneous	8	75,765	20,870	142,052	30,660
Professional fees	8	94,898	43,027	126,858	63,108
Regulatory and other filing fees		39,825	11,845	41,700	20,299
Share-based compensation	7	72,608	32,412	72,608	32,412
Loss before other items		(484,933)	(138,154)	(858,158)	(206,479)
Interest expense	6	(94,205)	(8,778)	(211,750)	(12,097)
Gain on debt settlement	6	557,540	-	557,540	-
Net loss for the period		(21,598)	(146,932)	(512,368)	(218,576)
Other Comprehensive Income (Loss)					
Items that may be reclassified subsequently to profit or loss:					
Gain (loss) on translating foreign operations		1,028	(16,836)	749	(100,210)
Net Loss and Comprehensive Loss for the period		**(20,570)**	**(163,768)**	**(511,619)**	**(318,786)**
Basic and Diluted Loss per Common Share		(0.00)	(0.01)	(0.02)	(0.01)
Weighted Average Number of Common Shares Outstanding		38,652,442	25,191,440	32,258,812	25,315,656

Para Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three and Six Months Ended February 29, 2016 and February 28, 2015
(Unaudited - expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	**Amount**	**Share option and warrant reserve**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Income**	**Total**
		$	**$**	**$**	**$**	**$**	**$**
Balance as at August 31, 2014	25,068,588	2,707,511	261,867	3,146,108	(5,894,554)	24,590	245,522
Bonus shares issued for loan	855,237	64,143	-	-	-	-	64,143
Share-based payments on options granted	-	-	32,412	-	-	-	32,412
Net loss for the period	-	-	-	-	(218,576)	-	(218,576)
Other comprehensive loss for the period	-	-	-	-	-	(100,210)	(100,210)
Balance, February 28, 2015	25,923,825	2,771,654	294,279	3,146,108	(6,113,130)	(75,620)	23,291
Share-based payments on options granted	-	-	7,203	-	-	-	7,203
Net loss for the period	-	-	-	-	(675,396)	-	(675,396)
Other comprehensive income for the period	-	-	-	-	-	51,810	51,810
Balance as at August 31, 2015	25,923,825	2,771,654	301,482	3,146,108	(6,788,526)	(23,810)	(593,092)
Shares issued pursuant to private placement, net of issue costs	3,453,333	379,338	5,727	-	-	-	385,065
Shares issued for debt settlement	26,096,666	2,137,733	464,332	-	-	-	2,602,065
Warrant valuation	-	(49,533)	49,533	-	-	-	-
Shares issued pursuant to warrant exercise	14,285	1,429	-	-	-	-	1,429
Share-based payments on options granted	-	-	72,608	-	-	-	72,608
Net loss for the period	-	-	-	-	(512,368)	-	(512,368)
Other comprehensive income for the period	-	-	-	-	-	749	749
Balance as at February 29, 2016	55,488,109	5,240,621	893,682	3,146,108	(7,300,894)	(23,061)	1,956,456

Para Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended February 29, 2016 and February 28, 2015
(Unaudited - expressed in Canadian Dollars)

	2015 $	2014 $
OPERATING ACTIVITES		
Net Loss for the period	(512,368)	(218,576)
Non-cash items:		
Share-based compensation	72,608	32,412
Gain on debt-settlement	(557,540)	-
Interest on loan	210,879	-
Changes in non-cash working capital items:		
Receivables	(48,216)	(7,369)
Prepaid expenses	13,250	-
Accounts payable and accrued liabilities	(3,341)	38,917
Due from related parties	(26,410)	(16,346)
	(851,138)	(170,962)
FINANCING ACTIVITIES		
Issuance of shares, net of issue costs	404,426	-
Loans payable	3,359,350	300,000
	3,763,776	300,000
INVESTING ACTIVITIES		
Deferred acquisition cost	(2,569,983)	-
Expenditures on exploration and evaluation assets	(203,389)	(149,491)
	(2,773,372)	(149,491)
Foreign exchange effect on cash	749	(11,958)
INCREASE (DECREASE) IN CASH DURING THE PERIOD	140,015	(32,411)
CASH, BEGINNING OF THE PERIOD	22,882	83,153
CASH, END OF THE PERIOD	162,897	50,742
Non-cash items excluded from financing activities		
Bonus-shares issued for loan payable	-	64,143
Shares issued to settle debt	26,096,666	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Para Resources Inc. (the "Company" or "Para") is the parent company of its consolidated group and was incorporated on April 13, 2010 under the Business Corporations Act (British Columbia). The Company was a capital pool company pursuant to the policies of the TSX Venture Exchange ("Exchange"). On April 30, 2012 the Company completed its Qualifying Transaction by acquiring all of the issued and outstanding shares of Angra Metals Mineração Ltda. ("ANGRA") from Goldsource Mines Inc. (formerly Eagle Mountain Gold Corp.) ("Goldsource") after obtaining approval from the Exchange. Effective May 2, 2012 the Company was classified as a Mineral Exploration and Development company and is currently listed on the Exchange under the trading symbol "PBR".

The Company's principal business activity is the acquisition, exploration and development of mineral properties.

The registered office of the Company is 1000 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7C 1S8 and its head office is 200-375 Water Street, Vancouver, British Columbia, V5B 0M9.

The condensed interim consolidated financial statements were prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and to place these properties into production, renewal of underlying titles to the mining properties and/or future proceeds from the disposition thereof.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting year. Management is aware in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, as explained in the following paragraph.

The Company has not yet generated income or cash flows from operations. As at February 29, 2016, the Company had an accumulated deficit of $7,300,894 (August 31, 2015 – $6,788,526). For the six months ended February 29, 2016 the Company incurred a loss of $512,368 (February 28, 2015 - $218,576), had negative cash flow from operations amounting to $851,138 (February 28, 2015 – $170,962) and had a working capital deficiency of $2,885,326 (August 31, 2015 - $2,424,369). The Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program and to meet its future option payment obligations and all of its general and administrative costs. Management intends to raise additional necessary financing through the issuance of common shares. There is no assurance that the Company will be successful in raising the additional required funds.

Although these condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, the above noted conditions raise significant doubt regarding the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2015 except as outlined in Note 3. These financial statements were approved by the board of directors for use on April 29 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting standards development
The following standards have been issued but not yet applied:

- In the annual period beginning September 1, 2018, the Company will be required to adopt IFRS 9, *Financial Instruments*, which is the result of the first phase of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Management is currently evaluating the impact that this standard will have on the consolidated financial statements.
- IFRS 15*, Revenue from Contracts with Customers*, was issued in May 2014 and establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The required adoption date for IFRS 15 is the annual period beginning on or after January 1, 2018, with early adoption permitted. The Company has not completed its assessment of the impact of this standard.

4. DEFERRED ACQUISITION COST

Ojos Negros Gold Property:
The Company executed a binding letter of intent (the "LOI") on April 25, 2015 with Navial Mineria, S.A. de C.V. ("Navial") and Ivonne Alicia Boileve Romero ("Romero") under which it agreed, subject to certain conditions including Exchange approval, completing final due diligence and entering into a definitive agreement (the "Definitive Agreement"), to acquire the option (the "Option") to earn up to a 75% interest in and to the Ensenada IV mineral concession known as the Ojos Negros Gold Property ("Ojos Negros") in Baja California, Mexico.

To facilitate the exercise of the Option, Romero and Navial would transfer 100% legal and beneficial ownership of Ojos Negros to a private Mexican subsidiary of the Company ("NewCo") which has not yet been incorporated and will only be incorporated if the Company proceeds with the option.

The Option can be exercised in the following stages:

- The Company fund a total of USD $225,000 (paid) in preliminary exploration expenditures on Ojos Negros (the "Initial Expenditures")
- Within 60 days of completion of the Initial Expenditures, the Company shall give Romero and Navial notice of its intention to either proceed with or abandon the Option ("First Notice")

In the event the Company chooses to abandon the Option in the First Notice and within 5 years Romero or Navial advance Ojos Negros to production, the Company shall be reimbursed for the Initial Expenditures by promissory note in the full amount of the Initial Expenditures, accruing interest at a rate of 7% per annum (the "Note"). Interest payable under the Note shall accrue from the date of the First Notice, and the Note will have a term of three years from the date of issuance.

Upon completion of due diligence the Company decided to abandon the option and as at August 31, 2015 the Company wrote-off $296,461 of deferred acquisition costs. All costs related to Ojos Negros during the six months ended February 29, 2016 were expensed as business investigation costs.

Colombia Milling:
On July 20, 2015 the Company announced it had entered into a shareholders' agreement ("Shareholders' Agreement"), subscribing for between 33.33% and 45% of the common shares of Colombia Milling Limited ("Colombia Milling"), a Belize incorporated Company. Pursuant to the Shareholders' Agreement, the Company is required to contribute an aggregate total of a minimum of USD $1,000,000 to acquire 33.33% of Colombia Milling, comprised of the following:

- A payment of USD $500,000 (paid)
- Five payments of USD $100,000, no later than the first day of each of the months commencing July 1, 2015 (paid) to November 1, 2015 (paid), inclusive.
- The Company may decide to increase its ownership of Colombia Milling to 45%, wherein its contribution will increase to $1,350,000 (paid)
  Colombia Milling currently owns a 100% interest in American Gold Mines Ltd. ("AGM"), a Cayman Islands company and owner of 50.002% of the outstanding shares of Four Points Mining SAS ("Four Points"), a Colombian company and owner of certain mineral licenses in northern Colombia, which contain the El Limon mine(the " Property"). Colombia Milling acquired an additional 11% interest in Four Points from Sr. Duque for total consideration of USD $320,000, bringing their interest in the Property to approximately 61%.

The original agreement has since been amended to further increase the Company's potential share in Colombia Milling. On January 13, 2016 the Company announced that it had signed Letters of Intent to acquire the 33.71% interest in Colombia Milling owned by James Randall Martin ("Martin") and the 16.20% interest in CML held by SAEF Exploration Inc. ("SAEF"), increasing the Company's ownership of Colombia Milling to 100%. The acquisition of 100% of the shares of Colombia will bring the Company's total indirect interest in the El Limon Mine to 61.2%. 4321

The terms of the agreement with SAEF are as follows:

- Cash consideration of USD$250,000 at closing
- An unsecured note in the amount of USD$170,000, payable six months from the closing date, along with accrued interest at a rate of 7% per annum.

The terms of the agreement with Martin are as follows:

- The Company will issue 13,213,340 units at a deemed price of $0.09 per unit, each unit consists of one common share of the Company and one half of one share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company for a period of 18 months from the date of issuance at an exercise price of $0.20 per share.

(Unaudited - expressed in Canadian Dollars)

A breakdown of total deferred acquisition costs is as follows:

	February 29, 2016	**August 31, 2015**
	$	$
Colombia Milling Ltd.	3,563,698	756,582
	3,563,698	756,582

5. EXPLORATION AND EVALUATION ASSETS

Tucumã gold project:

The Company owns a 100% interest in the Tucumã copper/gold exploration project, which consists of six mineral concessions covering a total of 11,456 hectares located in the Carajas metallogenic province in the State of Pará, Brazil. The annual fees for the concessions are approximately $13,000. Prior to a concession expiring, the Company must present to the authority a technical report on the concession, which serves a basis for determining a renewal.

	February 29, 2016	**August 31 , 2015**
	$	**$**
Acquisition Cost		
Balance, beginning of period	1	1
Addition, during the period	-	-
Impairment charge	-	-
Balance, end of the period	1	1
Deferred Exploration Costs		
Balance, beginning of the period	1,074,694	532,995
Addition during the period		
Assays	3,831	20,262
Consulting	93,769	177,415
Drilling	-	118,300
Environmental	-	4,355
Field supplies	37,984	85,834
Licenses	1,687	20,827
Miscellaneous	360	722
Personnel	22,009	16,796
Project administration	28,070	109,370
Vehicle expenses	15,679	50,263
Foreign exchange on mineral property	-	(62,445)
Total additions during the period	203,389	541,699
	1,278,083	1,074,694
Balance, end of the period	**1,278,084**	**1,074,695**

Cumaru-Gradaus Gold project:

The Company executed an agreement on May 11, 2015 with Mineração Iraja S/A bringing into effect a Mineral Rights Purchase and Sale Agreement (the “Agreements”). The Company is presently negotiating a termination of this agreement. The termination will likely have a negative financial impact on the Company as there will be a cost to Terminate. The Cumaru project, which has significant potential, does not fit the Company’s current model of seeking near term cash flowing projects.

6. LOAN PAYABLE

During the year ended August 31, 2015 the Company entered into a loan agreement with Conex Services Inc. ("Conex") whereby Conex would advance the Company $250,000, received in multiple tranches, for working capital purposes. The loan is secured with a promissory note and each tranche has a term of 12 months from the date of the advance, bearing interest at 1% per month. As part of the consideration for the loan, on February 3, 2015, the Company issued 855,237 bonus shares to Conex. The shares were recorded at fair value on the date of issuance at $64,143 as a financing cost and the Company will amortize the cost using an effective interest rate of 30.1%. As at February 29, 2016 the Company has accrued interest of $39,409.

Conex continued to provide additional loans to the Company with the same terms as the above mentioned loan. On January 29, 2016 the Company issued 24,430,000 units to Conex to settle $2,931,600 of loans payable, as at that date the Company had received a total of $4,408,254 in loans from Conex. Each unit consisted of one common share of the Company and one half common share purchase warrant of the Company (Note 7). As at February 29, 2016, the Company had additional outstanding loans payable to Conex in the amount of $2,320,764. The additional funds were used to pursue different business opportunities (Note 5). As at February 29, 2016 the Company has accrued interest of $25,819.

7. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Financings during the six months ended February 29, 2016 are as follows:

- On December 8, 2015 the Company issued 2,953,333 units at $0.12 per unit for gross proceeds of $354,400 and 1,666,666 units to settle debt of $200,000. Each unit consists of one common share of the Company and one half-warrant, with each full warrant entitling the holder to acquire one common share of the Company at a price of $0.18 for a period of 18 months from their date of issuance. The Company fair valued the warrants at $46,200 using the residual method. No gain on debt settlement was recorded. The Company issued 87,000 finders warrants that were fair valued at $5,005 using an option pricing model. The assumptions used were; Risk free rate of 0.48%; volatility 143%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years.
- On January 29, 2016 the Company issued 24,430,000 units to settle $2,931,600 of debt (Note 6). Each unit consists of one common share of the Company and one half-warrant, with each full warrant entitling the holder to acquire one common share of the Company at a price of $0.18 for a period of 18 months from their date of issuance. The shares were fair valued at $0.08 and the warrants were valued using an option pricing model and fair valued at $447,665. The assumptions used were; Risk free rate of 0.42%; volatility 143%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years. The Company recorded a gain on debt settlement of $529,535.
- On February 22, 2016 the Company issued 500,000 units at $0.12 per unit for gross proceeds of $60,000. The units were identical to those issued on December 8, 2015 and the warrants were fair valued at $20,000 using the residual method. The Company issued 20,000 finders warrants that were fair valued at $722 using an option pricing model. The assumptions used were; Risk free rate of 0.45%; volatility 141%, forfeiture rate nil; expected dividend nil; expected useful life 1.5 years.
- The Company incurred 29,334 of cash issue costs.

(Unaudited - expressed in Canadian Dollars)

Stock options
The Board of Directors of the Company may, from time to time, at its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent of the issued and outstanding common shares exercisable for a period not to exceed five years from the Company's listing date. The options may be cancelled after the Company has entered into a Qualifying Transaction at the later of 12 months after the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, or technical consultant. The following is a continuity schedule of outstanding options for the reporting period.

The Company's stock options outstanding as at February 29, 2016 and August 31, 2015 and the changes for the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life (years)
Balance, August 31, 2014	1,615,243	0.25	1.93
Granted	1,100,000	0.05	
Cancelled	(10,000)	0.75	
Balance outstanding and exercisable at August 31, 2015	2,705,243	0.17	2.46
Granted	1,025,000	0.09	
Expired	(8,100)	0.50	
Balance outstanding and exercisable at February 29, 2016	3,722,143	0.15	2.78

Stock options outstanding and exercisable at February 29, 2016 are as follows:

Number of Options	Exercise Price $	Expiry Date
1,232,143	0.10	August 22, 2016
365,000	0.75	July 10, 2017
1,100,000	0.05	December 30, 2019
1,025,000	0.09	January 28, 2021
3,722,143		

Subsequent to February 29, 2016, 161,000 stock options were exercised at $0.10 per option.

On January 28, 2016 the Company granted 1,025,000 options, vesting immediately, to directors and officers, exercisable at $0.09 and expiring on January 28, 2021. On December 30, 2014, the Company granted 1,100,000 options, vesting immediately, to directors and officers, exercisable at $0.05 and expiring on December 30, 2019. The fair value of the options granted was calculated using the Black-Scholes option pricing model and the assumptions used are as follows:

	2016	2015

Risk free rate	0.68%	1.34%
Expected life	5 years	5 years
Expected volatility	143%	95%
Forfeiture rate	Nil	Nil
Expected dividends	Nil	Nil

The Company recorded share-based payments expense of $72,608 during the six months ended February 29, 2016 (February 28, 2015 - $32,412)

Warrants
The Company's warrants outstanding as at February 29, 2016 and August 31, 2015 and the changes for the periods then ended are as follows:

	Number of Warrants	Exercise Price $
Balance, August 31, 2014	10,607,484	0.17
Expired	(879,000)	0.98
Balance, August 31, 2015	9,728,494	0.10
Issued	14,882,000	0.18
Exercised	(14,285)	0.10
Balance, February 29, 2016	24,596,209	0.15

Warrants outstanding as at February 29, 2016 were as follows:

Outstanding Warrants	Exercise Price $	Expiry Date
9,714,209	0.10	August 22, 2016
2,397,000	0.18	June 8, 2017
12,215,000	0.18	July 29, 2017
270,000	0.18	August 22, 2017
24,596,209		

Weighted average remaining contractual life is 1.03 years.

Subsequent to February 29, 2016, 304,400 warrants were exercised at $0.10 per warrant.

(Unaudited - expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

All amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment unless otherwise stated. The Company paid or accrued remunerations to its directors and officers during the three and six months ended February 29, 2016 and February 28, 2015 are as follows:

	Three months ended		**Six Months ended**	
	February 29, 2016 $	**February 28, 2015 $**	**February 29, 2016 $**	**February 28, 2015 $**
Consulting fees paid to a director	57,500	30,000	87,500	60,000
Administrative fees paid to a company controlled by a director	7,500	7,500	15,000	15,000
	65,000	37,500	102,500	75,000

As at February 29, 2016, $11,862 (August 31, 2015 - $38,251) was owing to a director and a private company controlled by him, and $19,199 (August 31, 2015 - $19,199) was owing to Goldsource, a company with common directors and officers.

As at February 29, 2016, loans totaling $40,065 (August 31, 2015 - $233,562) were due to a director, a private company which he is a director of, and a private company controlled by him. Loans amounting to $23,252 are unsecured and non-interest bearing and loans amounting to $16,813 bear an interest rate of 1% per month compounded monthly and are due on demand.

9. SEGMENTED DISCLOSURE

Operating segment:
The Company has one operating segment, being the acquisition, exploration and evaluation of mineral properties.

Geographic segment:
The Company's assets and liabilities as at February 29, 2016 and August 31, 2015 and the Company's expenses by geographic area for the period ended February 29, 2016 are as follows:

	February 29, 2016		
	Brazil	Canada	Total
	$	$	$
Current assets	12,820	208,472	208,472
Deferred acquisition costs	-	3,563,698	3,563,698
Exploration and evaluation asset	1,278,084	-	1,278,084
Total assets	1,290,904	3,772,170	5,063,074
Current liabilities	28,318	3,078,300	3,106,618
Total liabilities	28,318	3,078,300	3,106,618
Expenses	-	858,158	858,158
Other expenses	-	(345,790)	(345,790)
Net loss	-	512,368	512,368

(Unaudited - expressed in Canadian Dollars)

The Company's assets, liabilities and expenses by geographic area as at and for the year ended August 31, 2015 were as follows:

	August 31, 2015		
	Brazil	Canada	Total
	$	$	$
Current (liabilities) assets	16,978	29,332	46,310
Deferred acquisition cost	-	756,852	756,852
Exploration and evaluation asset	1,074,696	-	1,074,696
Total assets	1,091,674	785,914	1,877,587
Current liabilities	22,801	2,447,878	2,470,679
Total liabilities	22,801	2,447,878	2,470,679
Expenses	-	472,518	472,518
Other expenses	-	421,454	421,454
Net loss	-	893,972	893,972

10. SUBSEQUENT EVENTS

- Subsequent to February 29, 2016, the Company received an additional $399,850 in loans from,Conex under the same terms and conditions as the previous loans.
- Subsequent to February 29, 2016, the Company closed an additional private placement issuing 6,738,332 units at $0.12 per unit for gross proceeds of $765,400. Each unit consists of one common share of the Company and one half common share purchase warrant. Each warrant entitles the holder to acquire an additional common share of the Company at price of $0.18 for a period of 18 months from the date of issuance. The Company paid finders fees of $30,450 and issued 362,500 finders warrants with an exercise price of $0.18 and a useful life of 18 months from the date of issuance.
- On March 31, 2016 the Company entered into a Credit Facility Agreement (the "facility") with Conex, whereby Conex has made available to the Company a revolving credit line in the amount of up to $3,000,000. The facility bears interest at 12% annually and each drawdown on the facility will be secured by a promissory note in favour of Conex. As additional consideration for the facility the Company will issue a bonus equal to 20% of the principal amount of each drawdown, payable by common shares of the Company, at a deemed price equivalent to the last closing price of the Company's common shares on the TSX-V.