Ironside Resources Inc.

Consolidated Financial Statements

For the Year Ended

June 30, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Ironside Resources Inc.

We have audited the accompanying consolidated financial statements of Ironside Resources Inc., which comprise the consolidated statements of financial position as at June 30, 2016 and 2015, and the consolidated statements of comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Ironside Resources Inc. as at June 30, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Ironside Resources Inc. to continue as a going concern.

Vancouver, Canada

Chartered Professional Accountants

October 26, 2016

Ironside Resources Inc.

Consolidated Financial Statements
For the Year Ended June 30, 2016

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Ironside Resources Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars) TSX.V: IRC

	Note		June 30, 2016		June 30, 2015
Assets					
Current assets					
Cash and cash equivalents	*11*	$	**203,551**	$	27,719
Amounts receivable			**5,856**		5,029
Prepaid expenses			**8,615**		23,581
Deferred financing fees			**-**		26,862
			218,022		83,191
Advances to related party net of provision for doubtful accounts	*12*		**-**		52,283
Property and equipment	*6*		**1,233**		2,206
Exploration and evaluation assets	*7*		**408,983**		5,384,466
Total assets			**628,238**		5,522,146
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*8, 12*		**46,281**		534,527
Note payable to related party	*12*		**-**		50,666
Total liabilities			**46,281**		585,193
Shareholders' equity					
Share capital	*9*		**15,671,699**		14,668,300
Obligation to issue shares	*12*		**8,000**		-
Shares held in escrow			**-**		(6,833)
Other capital reserves	*9*		**5,800,194**		5,800,194
Deficit			**(20,897,937)**		(15,524,708)
Total shareholders' equity			**581,957**		4,936,953
Total liabilities and shareholders' equity		$	**628,238**	$	5,522,146

Nature and continuance of operations (Note 1)

Approved on October 26, 2016 by the Board of Directors:

" Devinder Randhawa"

Devinder Randhawa, Director

"Ross McElroy"

Ross McElroy, Director

Ironside Resources Inc.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars) TSX.V: IRC

	Note	For the years ended June 30 2016	2015
General and administrative expenses			
Business development		$ -	$ 15,573
Consulting and management fees	*12*	**217,328**	254,150
Depreciation		**973**	972
Office and administration		**13,819**	22,592
Professional fees		**44,310**	124,194
Public relations and communications		**6,136**	15,436
Regulatory fees		**15,406**	20,945
Rent		**7,440**	7,215
Share-based compensation	*9*	**-**	10,648
Transfer agent		**23,089**	9,345
Travel		**40,220**	-
Wages and benefits	*12*	**159,484**	167,988
		(528,205)	(649,058)
Interest		**3,698**	3,307
Foreign exchange loss		**(3,901)**	(522)
Write off of prepaid amount		**(9,862)**	(100,000)
Gain on sale of property	*11*	**-**	30,340
Gain on cancellation of debt	*8*	**100,000**	-
Gain on debt settlement	*11*	**147,500**	-
Loss on disposal of property and equipment		**-**	(4,090)
Bad debt expense	*12*	**(83,695)**	-
Write down of exploration and evaluation assets	*7*	**(4,998,763)**	-
		(4,845,023)	(70,965)
Loss and comprehensive loss for the year		**$ (5,373,228)**	$ (720,023)
Basic and diluted loss per common share		**$ (0.77)**	$ (0.14)
Weighted average number of common shares outstanding		**7,010,843**	5,012,900

The accompanying notes are an integral part of these Consolidated Financial Statements.

Ironside Resources Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

TSX.V: IRC

	Note	Common Shares: Shares	Common Shares: Amount	Obligation to Issue Commons Shares	Common Shares Held in Escrow	Other Capital Reserves	Deficit	Total
Balance as at June 30, 2014		5,123,452	$ 14,720,632	$ -	$ (59,165)	$ 5,789,546	$ (14,772,533)	$ 5,678,480
Common shares held in escrow	7	(174,438)	(52,332)	-	52,332	-	-	-
Share-based compensation	9(c)	-	-	-	-	10,648	-	10,648
Loss and comprehensive loss		-	-	-	-	-	(720,023)	(720,023)
Transaction costs relating to divesture of subsidiary	10	-	-	-	-	-	(32,152)	(32,152)
Balance as at June 30, 2015		4,949,014	14,668,300	-	(6,833)	5,800,194	(15,524,708)	4,936,953
Common shares in escrow cancelled	7	(22,778)	(6,833)	-	6,833	-	-	**-**
Private placement - Ballyliffin	9	2,189,200	820,950	-	-	-	-	**820,950**
Share issuance costs	9	-	(34,218)	-	-	-	-	**(34,218)**
Debt settlement	12	3,311,111	223,500	8,000	-	-	-	**231,500**
Loss and comprehensive loss		-	-	-	-	-	(5,373,228)	**(5,373,228)**
Balance as at June 30, 2016		**10,426,547**	**$ 15,671,699**	**$ 8,000**	**$ -**	**$ 5,800,194**	**$ (20,897,936)**	**$ 581,957**

On June 30, 2016, the Company consolidated its common shares outstanding on a 3:1 basis.
All references to common shares and per share amounts reflect these consolidations

Ironside Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars) TSX.V: IRC

	For the years ended June 30, 2016	2015
Cash used in operating activities		
Loss and comprehensive loss for the year	**$ (5,373,228)**	$ (720,023)
Items not affecting cash:		
Depreciation	**973**	972
Share-based compensation	**-**	10,648
Write off of prepaid amount	**9,862**	100,000
Gain on sale of property	**-**	(30,340)
Write-down of exploration and evaluation assets	**4,998,763**	-
Cancellation of debt	**(100,000)**	-
Debt settlement	**(147,500)**	-
Provision for doubtful accounts	**83,695**	-
Loss on disposal of property and equipment	**-**	4,090
	(527,435)	(634,653)
Changes in non-cash working capital items		
Increase (decrease) in amounts receivable	**(32,239)**	(4,173)
(Decrease) increase in prepaid expenses	**5,104**	3,352
(Decrease) increase in accounts payable and accrued liabilities	**104,279**	86,171
Cash used in operating activities	**(450,291)**	(549,303)
Investing activities		
Property and equipment purchased	**-**	(663)
Sale of property	**-**	30,340
Exploration and evaluation additions	**(34,943)**	(448,010)
Cash used in investing activities	**(34,943)**	(418,333)
Financing activity		
Advance from Ballyliffin	**-**	75,000
Loan proceeds (repayment)	**(50,666)**	50,000
Proceeds from issuance of common shares	**745,950**	-
Share issuance costs	**(34,218)**	(32,152)
Cash provided by financing activities	**661,066**	92,848
Net Increase / (decrease) in cash and cash equivalents	**175,832**	(874,788)
Cash and cash equivalents, beginning of year	**27,719**	902,507
Cash and cash equivalents, end of the year	**$ 203,551**	$ 27,719

Supplemental disclosure with respect to cash flows (Note 11).

1. Nature and Continuance of Operations

Ironside Resource Inc. (the "Company") is a company incorporated under the Business Corporation Act of British Columbia, Canada. The registered office of the Company is 700-595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Principal address and records office of the Company is 700-1620 Dickson Ave., Kelowna, British Columbia, V1Y 9Y2. The Company's shares are publicly listed on the TSX Venture ("TSX-V") under the symbol "IRC".

The Company is engaged in the acquisition, exploration and development of its exploration and evaluation assets. The Company is considered to be in the exploration stage and to date has not generated significant revenues from operations. The Company has yet to determine whether its exploration and evaluation assets contain economically viable ore reserves and there is no guarantee that mineral deposits will be discovered in the future. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon proving the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production and/or proceeds from the disposition thereof.

On June 30, 2016, the Company consolidated its share capital on a three to one basis. All references to common shares, per share amounts, options and warrants retroactively reflect this consolidation. See Note 9.

The Company has inconsiderable sources of revenue and has significant cash requirements to maintain its mineral property interests and to meet its administrative overhead. These consolidated financial statements have been prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to secure equity, debt or joint venture financing and generate profitable future operations. These material uncertainties may cast significant doubt on the ability of the Company to continue as a going concern.

These consolidated financial statements for the years ended June 30, 2016 and 2015 were approved and authorized for issuance by the Board of Directors on October 26, 2016.

2. Basis of Presentation

These consolidated financial statements of the Company and its subsidiaries, including comparative figures, have been prepared using accounting policies in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared in Canadian dollars ("CAD") being the Company's presentation and functional currency and are based on a historical cost basis. Unless otherwise noted all figures are in Canadian dollars. These consolidated financial statements include the financial information of the 100% wholly owned subsidiaries of Papuan Precious Metals Ltd. ("PPM"), located in Papua New Guinea ("PNG") and Adan Ventures Limited ("Adan") incorporated in the British Virgin Islands. The functional currency of the Company's subsidiaries are that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3. Significant Accounting Policies

(a) Principles of Consolidation

The Company's consolidated financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

(b) Significant Accounting Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in accordance with IFRS requires estimates, judgments, and assumptions that are based on management's experience and knowledge of the relevant facts and circumstance and are continuously evaluated. These can affect the reported amounts, the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenues and expenses during the year. Due to market changes and other factors beyond the control of the Company, results may differ from the estimates, judgments and assumptions used at the reporting date.

Significant assumptions about the future and other sources of estimation uncertainty that could result in material adjustments to the carrying value of assets and liabilities relate to, but are not limited to, the following:

- non-current asset impairment tests;
- the valuation of share-based payments and warrants in private placements;

(c) Financial Assets

Financial assets are initially recorded at fair value and designated upon initial recognition into one of the following categories based on the purpose for which the asset was acquired: *Financial Assets at fair value through profit or loss ("FVTPL"), Held-to-Maturity ("HTM"), Loans & Receivables, Available-for-sale ("AFS").*

A financial asset is classified as FVTPL if it is held for trading or designated as FVTPL upon initial recognition. If the Company manages such investments and makes purchases and sales decisions based on their fair value in accordance to the Company's risk management policy, these assets are designated FVTPL and are measured at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit and loss when incurred while all other financial assets include these costs in the assets' initial carrying cost.

The Company has classified its cash and cash equivalents as FVTPL. Financial assets designated as loans and receivables and assets held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables. Financial assets designated as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss except for losses in value considered other than temporary which are recognized in profit or loss. The Company has not classified any financial assets as AFS at June 30, 2016 or June 30, 2015.

(d) Cash and Cash Equivalents

Cash and Cash Equivalents include deposits and redeemable term deposits with major financial institutions with original maturities of less than 90 days and readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(e) Foreign Currency Translation

Functional currency is the currency of the primary economic environment in which an entity operates and it has been determined that for the Company and its subsidiaries, the Canadian dollar are the functional currency. These determinations were conducted through an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses are recognized in profit or loss upon settlement of such transactions. Translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are also recognized in the profit or loss.

(f) Property and Equipment

Property and Equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight line basis at the following annual rates:

- Geological equipment 20%
- Motor Vehicles 30%
- Computer equipment 30%

When an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Property and equipment is reviewed for indications of impairment at the end of each reporting period. If there are indications of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less disposal costs and value in use. A loss arising on any impairment losses of the asset, determined as the difference between the recoverable amount and the carrying amount of the asset, is recognized in the profit or loss.

(g) Exploration and Evaluation Assets

All direct costs attributable to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized as intangible assets on the basis of specific exploration licences until the mineral property interests to which they relate are placed into production, disposed of through relinquishment or sale or where management has determined there is impairment. Upon commencement of commercial production these costs are reclassified as mining assets and are amortized over the estimated productive lives of the properties using the units-of-production method.

Exploration and evaluation assets are reviewed on an ongoing basis to consider any indicators of impairment. If any indication of impairment exists, an estimate of the exploration and evaluation assets' recoverable amount is determined. The recoverable amount is calculated as the higher of fair value less selling costs and its value in use. This value is determined for individual exploration and evaluation assets unless it does not generate cash inflows that are largely independent of other exploration and evaluation assets. If this is the case, the assets are grouped together into Cash Generating Units ("CGUs") for impairment purposes.

The Company considers the following factors to review its exploration and evaluation assets for indicators of impairment:

(i) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

(ii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

(iii) Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(iv) The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the mineral property's recoverable amount since the last impairment loss was recognized. In such a case, the carrying amount of the mineral property is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the mineral property interest in prior years. Such reversals are recognized in the profit or loss. If a mineral property is relinquished, the exploration and evaluation costs related to the mineral property will be written off to the profit or loss in the year of relinquishment.

(h) Financial Liabilities

All financial liabilities are initially recorded at fair value and designated as FVTPL or classified as other financial liabilities when recognized. Financial liabilities classified as other financial liabilities are initially recognized at fair value and thereafter are subsequently measured at amortized cost using the effective interest rate method. This method calculates the amortized cost of a financial liability and its related interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments over the expected duration of the financial liability or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Derivatives, including separately embedded derivatives are also classified as FVTPL and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in the profit or loss. The Company has no liabilities or derivatives classified as FVTPL.

(i) Share-based Payments

The Company has a stock option plan whereby it is authorized to grant stock options to employees, officers, directors and consultants. Employees, officers, directors and consultants are classified as employees when they render personal services to the entity and are either regarded as employees for legal or tax purposes, or employed with an entity under its direction in the same way as employees, officers, directors and consultants who are regarded as employees for legal or tax purposes are, or the services rendered are similar to those rendered by employees.

The fair value of stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for volatility of the expected market price of the Company's common shares, risk-free interest rates and expected life of the options. The fair value less estimated forfeitures is charged to profit or loss and/or capitalized to the exploration and evaluation assets over the vesting period of the related options with a corresponding credit to equity in other capital reserves. The estimated forfeitures are based on historical experience and reviewed on quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures. Management uses the dynamic model to calculate the estimated forfeitures. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

Share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. The fair value is measured at the date the entity obtains the goods or services or when the counterparty renders service. If the fair value cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete and any change therein is recognized over the vesting period of the award. The cost of share-based payments to non-employees that are fully vested and non-forfeitable at the date of the grant are measured and recognized at that date.

When stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from other capital reserves to share capital.

(j) Income Taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of prior years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted as at the statement of financial position date. It is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting or taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Loss per Share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is similarly calculated except it is assumed that outstanding stock options and warrants, with the average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the assumed proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year. Diluted loss per share does not adjust the loss attributable to common shareholders when the effect is anti-dilutive.

(l) Related Party Transactions

Parties are considered to be related if one party has the direct or indirect ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of services, obligations or resources between related parties including key management personnel.

4. IFRS Standards, Amendments and Interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company’s financial year beginning on or after July 1, 2016. No new or revised standards or amendments are expected to have any significant impact to the Company’s financial statements.

(Expressed in Canadian Dollars) TSX.V: IRC

5. Key Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimated uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Exploration and Evaluation Expenditures

The Company's accounting policy for Exploration and Evaluation expenditure results in certain expenditures being capitalized for prospective areas where it is considered likely to be recovered by future exploitation or sale and where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If after having capitalized the expenditure under this policy a judgment is made that the recovery of the expenditure is unlikely, the relevant capitalized amount will be written off in the profit or loss in the period when the new information becomes available.

(b) Share-based Compensation

The Company measures the cost of equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating share-based compensation transactions are disclosed in Note 9.

6. Property and Equipment

Property and equipment consists of:

Cost	Geological Equipment	Computer Equipment	Motor Vehicles	Total
As at June 30, 2014	$ 25,751	$ 2,580	$ 39,096	$ 67,427
Additions	-	663	-	663
Disposals	(25,751)	-	(39,096)	(64,847)
As at June 30, 2015	-	3,243	-	3,243
Additions	-	-	-	-
Disposals	-	-	-	-
As at June 30, 2016	**$ -**	**$ 3,243**	**$ -**	**$ 3,243**
Accumulated Depreciation				
As at June 30, 2014	$ 16,511	$ 65	$ 38,118	$ 54,694
Depreciation	5,150	972	978	7,100
Disposals	(21,661)	-	(39,096)	(60,757)
As at June 30, 2015	-	1,037	-	1,037
Depreciation	-	973	-	973
Disposals	-	-	-	-
As at June 30, 2016	**$ -**	**$ 2,010**	**$ -**	**$ 2,010**
Net Book Value				
As at June 30, 2014	$ 9,240	$ 2,515	$ 978	$ 12,733
As at June 30, 2015	-	2,206	-	2,206
As at June 30, 2016	**$ -**	**$ 1,233**	**$ -**	**$ 1,233**

(Expressed in Canadian Dollars) TSX.V: IRC

7. Exploration and Evaluation Assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge the title to its property is in good standing.

Property	Resource	Ownership	June 30, 2016	June 30, 2015
Wadi Sawawin	Fe	IRC 25%	**$ 408,983**	$ 408,983
EL 1566 - New Hanover	Au-Cu	IRC 100%	**-**	4,975,483
Exploration and evaluation assets			**$ 408,983**	$ 5,384,466

Wadi Sawawin:

On April 6, 2015 the Company signed a letter agreement for the formation of a Joint Venture ("JV") with Juniper Capital Partners Limited (Juniper) of London, UK, to acquire a 25% carried interest in the Wadi Sawawin Iron Ore project in Saudi Arabia. The JV has acquired London Mining PLC's contractual equity rights to a 50% interest of the project which is owned by National Mining Company ("NMC") of Saudi Arabia. To date, the Company and Juniper have not successfully confirmed with NMC the transfer of the 50% interest in the Wadi Sawawin Iron Ore project. However, the Company and Juniper are continuing efforts to have the transfer of the rights to the project confirmed.

The Company is required to provide initial funding to the JV in the amount of US$375,000 with Juniper and the Company then contributing additional funds to the JV pro-rata so that each partner will provide one-half of the additional funds required by the JV. Juniper has agreed to manage the JV's interests in the project for a minimum of two years. During the year ended June 30, 2016 the Company expended $nil (2015 - $408,983) on the acquisition of the interest.

New Hanover:

A charge of $4,998,763 to profit or loss was recognized during the year ended June 30, 2016 upon the relinquishment of the 100% PPM owned EL-1566 – New Hanover. The Company no longer holds any exploration permits in Papua New Guinea. During the year ended June 30, 2016, the Company capitalized $nil (2015 - $6,128) of depreciation on property and equipment to exploration and evaluation assets.

Papua New Guinea	New Hanover *EL 1566*
Balance June 30, 2014	$ 4,918,665
Camp and field costs	7,189
Geological and other consulting	16,456
Geochemistry	3,556
Tenement expense	12,235
Project costs	11,861
Travel	4,066
Freight	1,455
Additions	56,818
Balance June 30, 2015	4,975,483
Tenement expense	9,889
Project costs	13,391
Additions	**23,280**
Balance June 29, 2016	**4,998,763**
Write Down of Assets	**(4,998,763)**
Balance June 30, 2016	**$ -**

(Expressed in Canadian Dollars) TSX.V: IRC

8. Accounts Payable and Accrued Liabilities

Accounts payable are indebtedness incurred in the normal course of operations and are typically paid within 30 days. The accrued liabilities are non-interest bearing and are include amounts payable to related parties (Note 12).

Due within the year		**June 30, 2016**		June 30, 2015
Accounts payable	**$**	**20,687**	$	204,637
Accrued liabilities		**25,594**		329,890
	$	**46,281**	$	534,527

On June 30, 2016, the Company completed a comprehensive debt settlement package with related parties that eliminated its accrued liabilities inclusive to May 31, 2016. See note 12.

On June 30, 2016, the Company recognized the legal extinguishment of an accrued liability originally incurred in 2007. As a result the Company has realized a gain of $100,000 during fiscal 2016.

9. Share Capital and Reserves

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

On June 30, 2016, the Company's common shares were consolidated on the basis of one post consolidated share for every three pre-consolidated shares.

All common share, per share, share option and share purchase warrant figures in these consolidated financial statements have been retrospectively restated to present post-consolidation amounts.

(a) Private Placement Financings

July 10, 2015: the Company announced the completion of a private placement with Ballyliffin. Ballyliffin acquired 2,189,200 common shares of the Company at a price of $0.125 per share for gross proceeds of $820,950 of which $75,000 was received in fiscal 2015 and included in accounts payable as at June 30, 2015. The Company shares acquired by Ballyliffin were subsequently distributed to the shareholders of Ballyliffin in exchange for their shareholdings in Ballyliffin. The Company incurred $34,218 in financing costs in relation to this transaction. The record date is July 9, 2015.

(b) Stock Options

The Company has a share-holder approved stock option plan which allows the Board of Directors to grant stock options to directors, officers, employees, contractors and consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less any applicable discount. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

Stock option and share purchase warrant transactions are summarized as follows:

Stock Options					
Date Issued	Number Outstanding		Exercise Price	Number Exercisable	Remaining Life in years
As at June 30, 2014	423,333	$	1.20	356,667	2.79
Expired	(40,000)		(4.50)	(40,000)	-
Vested	-		0.75	66,666	-
Forfeited	(60,000)		(0.75)	(60,000)	-
As at June 30, 2015	323,333	$	0.75	323,333	1.79
As at June 30, 2016	**323,333**	**$**	**0.75**	**323,333**	**0.79**

(Expressed in Canadian Dollars) TSX.V: IRC

Warrants					
Date issued	Number of Shares		Exercise Price	Expiry Date
As at June 30, 2014	323,333	$	1.80	-
Expired	(323,333)	$	1.80	June 24, 2015
As at June 30, 2015 and 2016	**-**	**$**	**-**	**-**

(c) Share-based Compensation

During the year ended June 30, 2016, the Company granted no stock options (2015 – $nil). In accordance with the Company's shareholder approved stock option plan, options granted to executives, directors and employees can vest upon issuance. Options granted to consultants vest over a period of one year with 25% of the options vesting quarterly. Pursuant to the granting and vesting of options issued, total stock based compensation recognized in the profit or loss during the year ended June 30, 2016 was $nil (2015 – $10,648). This amount was also recorded as share-based compensation in other capital reserves on the statements of changes in equity. All options are recorded at fair value as at the grant date determined using the Black-Scholes option pricing model.

10. Plan of Arrangement

On July 3, 2014 the Company incorporated Pioneer Pacific Finance Corp. ("PPF") as a wholly owned subsidiary. Through an arrangement agreement (the "arrangement"), the Company was to transfer a Letter Agreement to PPF in consideration for the issuance of commons shares of PPF, and for the distribution of these common shares to the Company's shareholders on a pro-rata basis. At the Company's Annual General Meeting held on August 15, 2014, the shareholders voted unanimously in favour of this arrangement.

Pursuant to the arrangement, the Company spun PPF out in consideration for the issuance of common shares of PPF to Company shareholders and the transfer of the Letter Agreement regarding the acquisition of a Medical Marijuana dispensary in the State of Colorado. The Company completed the distribution of PPF commons shares to the Company shareholders of record on September 30, 2014.

By virtue of the Arrangement and having issued shares to the public, PPF is a "reporting Issuer" as defined by the provincial securities commissions. The Company incurred transaction costs of $32,152 in connection with the transaction during the year ended June 30, 2015.

11. Supplemental Disclosure with Respect to Cash Flows

Due within the year		**June 30, 2016**		June 30, 2015
Cash	**$**	**8,551**	$	27,719
Redeemable term deposits		**195,000**		-
	$	**203,551**	$	27,719

During the year ended June 30, 2016 the Company earned $3,698 (2015 $3,307) in interest income on its redeemable term deposits. There were no cash payments for interest or income taxes during the years ended June 30, 2016 and June 30, 2015.

During the year ended June 30, 2015, the Company was in receipt of a one-time $30,340 (US$24,539) payment from Kirkwood Oil & Gas, LLC, for the Company's 3.0873% interest in the sale of the property known as Federal 12-12, North Fork Field in McKenzie County, North Dakota, an oil well owned by the North Fork Partnership Leasehold. The Company believes the asset was originally purchased by a predecessor company, Jalna Resources Limited in 2003 and had been subsequently written off.

(Expressed in Canadian Dollars) TSX.V: IRC

During the year ended June 30, 2016, the Company had the following significant non-cash financing and investing transactions:

- Recognized $26,862 in deferred financing costs through accounts payable and accrued liabilities
- Cancelled 22,778 common shares held in escrow valued at $6,833
- Issued 3,311,111 common shares at a value of $223,500 and have an obligation to issue 118,918 shares at a value of $8,000 in settlement of accounts payable and accrued liabilities resulting in a gain of $147,500 through profit and loss

The significant non-cash financing and investing activities during the year-ended June 30, 2015 were:

- Accrued $26,682 in deferred financing costs through accounts payable and accrued liabilities
- Capitalized $6,128 of depreciation to exploration and evaluation assets
- Cancelled 174,438 common shares held in escrow valued at $52,332
- Accrued $11,663 in exploration and evaluation assets through accounts payable and accrued liabilities

12. Related Party Transactions

The Company has identified its directors and certain senior officers as its key management personnel. The total compensation costs for key management personnel for the year ended June 30, 2016 and 2015 are as follows:

Key management personnel	**June 30, 2016**	June 30, 2015
Wages and consulting fees paid or payable	**$ 300,000**	$ 305,000
	$ 300,000	$ 305,000

Share-based compensation represents the non-cash fair value calculations of options in accordance with IFRS-2 Share-based Payments granted to key management personnel.

Included in accounts payable and accrued liabilities at June 30, 2016 is $19,102 (2015 - $351,598) owing to officers, companies controlled by directors/officers and corporations with common directors and executives.

On June 30, 2016, the Company completed a debt settlement agreement with the CEO and directors of the Company. As a result, a total of 3,311,111 shares at a value of $223,500 were issued and a gain of $147,500 was recognized through profit and loss with an obligation to issue 118,518 common shares valued at $8,000 at a future date.

Included in advances to related parties as of June 30, 2016 is $nil (2015 - $52,283) receivable from PPF. The amount is unsecured, non-interest bearing and has no specified terms of repayment. As at June 30, 2016, a provision for doubtful accounts of $83,695 was recorded for the full amount of the advance outstanding as at that date.

Payments made to related parties during fiscal 2016 include rent $7,440 (2015 - $7,215), office & administration $(953.29) (2015 - $1,639) and business development $nil (2015 - $9,111).

The Company repaid a note payable to a related party of $50,000 with interest at 6%, including accrued interest of $920 on July 30, 2015.

(Expressed in Canadian Dollars) TSX.V: IRC

13. Income Taxes

A reconciliation of current income taxes at statutory rates (2016: 26.00%; 2015: 26.00%) with the period income taxes is as follows:

Future income tax recovery	June 30, 2016	June 30, 2015
Loss before income taxes	$ (5,373,228)	$ 720,023
Expected income tax recovery	(1,397,000)	(161,000)
Effect of tax rate differences from foreign jurisdictions	-	-
Effect of change in tax rates and other	(57,000)	(78,000)
Permanent differences	(43,000)	(4,000)
Share issue cost	(8,000)	
Adjustment to prior year provision versus statutory tax returns	-	(60,000)
Tax effect of tax losses and temporary differences not recognized	1,505,000	303,000
Future income tax recovery	$ -	$ -

At June 30, 2016, the Company has unrecognized aggregate tax attributes of $5,290,000 (June 30, 2015 $3,759,000), that are available to offset future taxable income:

Unrecognized deferred tax assets	June 30, 2016	June 30, 2015
Mineral properties	$ 3,336,000	$ 1,917,000
Non-capital loss carried forward	1,916,000	1,834,000
Share issuance cost and other assets	12,000	8,000
Equipment	-	-
Total	$ 5,264,000	$ 3,759,000

The Company has available approximately $7,332,000 of non-capital losses which will expire between 2016 and 2036 if unutilized.

14. Segmented Information

The Company operates under one business segment being the exploration of mineral property interests operating in three geographical locations; Canada, Saudi Arabia and PNG.

	June 30, 2016			June 30, 2015		
Non-current assets by geographic region	Canada	Saudi Arabia	PNG	Canada	Saudi Arabia	PNG
Property and equipment	$ 1,233	$ -	$ -	$ 2,206	$ -	$ -
Exploration and evaluation assets	-	408,983	-	-	408,983	4,975,483
Total	$ 1,233	$ 408,983	$ -	$ 2,206	$ 408,983	$ 4,975,483

15. Capital Management

The Company's objectives when managing capital, being its share capital, are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. 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. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

In order to facilitate management with its capital requirements, the Company prepares annual expenditure budgets which are approved by the Board of Directors and updated as necessary depending on various factors including capital deployment and general market and industry conditions.

The Company anticipates pursuing potential farm-out and joint venture agreements and also continuing to access equity markets to fund the sustained exploration of its exploration and evaluation assets and to ensure the future growth of the business.

The Company is not subject to any externally imposed capital restrictions.

16. Financial Instruments and Risk Management

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: inputs other than quoted direct prices included in Level 1 that are observable for the asset or liability, either directly(i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have any active hedging or derivative trading policies to manage these risks as it has been determined by management that the current size, scale and pattern of its operations would warrant such hedging activities.

(a) Credit Risk

Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to trade and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and cash equivalents amounts receivable, and advances to related party. At June 30, 2016 the Company provided a full allowance for the advance to related party.

The Company's maximum exposure to credit risk is minimal because cash and cash equivalents are deposited with reputable financial institutions, the balances of which are:

Cash and cash equivalents	**June 30, 2016**	June 30, 2015
Cash	**$ 8,551**	$ 27,719
Redeemable term deposits	**195,000**	-
	$ 203,551	$ 27,719

(b) Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to meet its financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and its current cash flow position to meet current obligations by monitoring and maintaining sufficient cash and cash equivalents to meet its anticipated operational needs.

The Company's financial liabilities, consisting of accounts payable and accrued liabilities, arise as a result of expenditures directly related to exploration of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and generally do not bear interest. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

Maturity dates less than 6 months	**June 30, 2016**	June 30, 2015
Accounts payable and accrued liabilities	**$ 46,281**	$ 585,193

(c) Market Risk

Market risk is the potential that the fair value for assets will fluctuate due to changes in market conditions on items classified as held-for-trading, available-for-sale or future cash flows from assets or liabilities considered to be held-to-maturity, other financial liabilities and loans or receivables of a financial instrument. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not exposed to interest rate risk as it does not hold debt balances and is not generally charged interest on accounts payable balances.

(d) Foreign Exchange Risk

The Company operates on an international basis therefore foreign exchange risk exposures arise from transactions denominated in foreign currencies. Although the functional currency of the Company is Canadian dollars ("CAD"), the Company simultaneously conducts business in US Dollars ("USD"), Saudi Arabian Riyal ("SAU"), and Papua New Guinea Kina ("PGK"). Derivative instruments are currently not used to reduce exposure to fluctuations in foreign currency exchange rates.

Changes in the value of USD, SAU and PGK against the CAD affect the costs of operations and resultant capital expenditures. The Company maintains its cash balances primarily in CAD and exchanges currency on an as needed basis thereby reducing the exchange risk on cash balances.

The Company is exposed to currency risk through the following Canadian dollar equivalent of financial assets and liabilities denominated in currencies other than CAD:

(Expressed in Canadian Dollars) TSX.V: IRC

Foreign Exchange Risk	June 30, 2016		June 30, 2015	
	PGK	**USD**	PGK	USD
Cash and cash equivalents	**$ 2,919**	**$ -**	$ 1,344	$ -
Accounts payable and accrued liabilities	**(1,344)**	**-**	(15,985)	(177)
	$ 1,575	**$ -**	$(14,641)	$ (177)

Based on the above net exposures at June 30, 2016, a 10% change for/against the Canadian dollar would result in the following changes to the Company's net losses:

- PGK would result in a change of $157 (June 30, 2015 - $1,464)
- USD would result in a change of $nil (June 30, 2015 - $18)