WCB RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 and 2015

(Expressed in Canadian Dollars)

Smythe
CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WCB RESOURCES LTD.

We have audited the accompanying consolidated financial statements of WCB Resources Ltd., which comprise the consolidated statements of financial position as at June 30, 2016 and 2015, and the consolidated statements of operations and comprehensive loss, changes in shareholders' 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 auditor considers 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.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of WCB Resources Ltd. 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 matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 27, 2016

Vancouver
7th Floor 355 Burrard St
Vancouver, BC V6C 2G8
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 888 9807

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 751 3384

Smythe LLP | **smythecpa.com**

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	June 30, 2016	June 30, 2015
ASSETS		
Current Assets		
Cash	$ 102,410	$ 1,003,033
Reclamation bond (Note 5)	-	5,000
Prepaids	31,148	5,350
Other receivables (Note 6)	74,632	94,136
Total Current Assets	208,190	1,107,519
Non-Current Assets		
Property and equipment (Note 7)	13,794	29,764
Exploration and evaluation assets (Note 8)	6,779,084	6,327,871
Rental deposit	-	76,933
Total Non-current Assets	6,792,878	6,434,568
Total Assets	**$ 7,001,068**	**$ 7,542,087**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 9 and 11)	$ 243,044	$ 261,950
Shareholders' Equity		
Capital stock (Note 10)	9,791,549	9,791,549
Reserves	1,616,074	2,457,394
Deficit	(4,649,599)	(4,968,806)
Total Shareholders' Equity	6,758,024	7,280,137
Total Liabilities and Shareholders' Equity	**$ 7,001,068**	**$ 7,542,087**

On behalf of the Board:

signed "Shaun Maskerine"
Shaun Maskerine, Director

signed "Duncan Cornish"
Duncan Cornish, Director

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Operations and Comprehensive Loss
Expressed in Canadian Dollars

	Year ended June 30, 2016	Year ended June 30, 2015
INCOME		
Interest	$ 2,519	$ 73,446
Other	-	12,463
Total income	2,519	85,909
EXPENSES		
Administration	100,398	308,128
Consulting fees (Note 11)	248,045	354,290
Reclamation (Note 5)	8,026	-
Foreign exchange loss	25,940	236,565
Impairment loss (Note 8)	-	497,733
Operating	78,159	252,953
Professional fees	53,624	79,979
Share-based payments (Note 10)	-	72,446
Transfer agent and filing fees	10,440	20,714
Total expenses	524,632	1,822,808
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$ 522,113**	**$ 1,736,899**
Loss per common share - basic and diluted	**$ 0.009**	**$ 0.030**
Weighted average number of common shares outstanding	**58,044,883**	**57,937,102**

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars

	Capital Stock		Reserves				
			Share-based payments	Warrants	Total	Deficit	Total
	Number	$	$	$	$	$	$
Balance at June 30, 2014	**57,904,883**	**9,771,375**	**793,766**	**1,781,356**	**2,575,122**	**(3,415,907)**	**8,930,590**
Loss for the year	-	-	-	-	-	(1,736,899)	(1,736,899)
Share-based payments	-	-	52,277	20,169	72,446	-	72,446
Options exercised	140,000	20,174	(6,174)	-	(6,174)	-	14,000
Options expired	-	-	(184,000)	-	(184,000)	184,000	-
Balance at June 30, 2015	**58,044,883**	**9,791,549**	**655,869**	**1,801,525**	**2,457,394**	**(4,968,806)**	**7,280,137**
Loss for the year	-	-	-	-	-	(522,113)	(522,113)
Options expired	-	-	(54,747)	-	(54,747)	54,747	-
Warrants expired	-	-	-	(786,573)	(786,573)	786,573	-
Balance at June 30, 2016	**58,044,883**	**9,791,549**	**601,122**	**1,014,952**	**1,616,074**	**(4,649,599)**	**6,758,024**

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

WCB RESOURCES LTD.
(An Exploration Stage Company)

Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Year ended June 30, 2016	Year ended June 30, 2015
OPERATING ACTIVITIES		
Loss for the year	$ (522,113)	$ (1,736,899)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization	4,935	10,755
Share-based payments	-	72,446
Impairment loss	-	497,733
Unrealized foreign exchange loss	4,428	3,739
Changes in non-cash working capital items		
Prepaids	(25,798)	35,928
Other receivables	97,704	(35,426)
Accounts payable and accrued liabilities	35,355	28,995
Total cash used in operating activities	**(405,489)**	**(1,122,729)**
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(37,199)
Expenditures on exploration and evaluation assets	(497,872)	(2,977,012)
Deposit	-	(19,672)
Total cash used in investing activities	**(497,872)**	**(3,033,883)**
FINANCING ACTIVITIES		
Cash received on exercise of options and warrants	-	14,000
Total cash provided by financing activities	**-**	**14,000**
Foreign exchange effect on cash	**2,738**	**(2,341)**
Total decrease in cash during the year	**(900,623)**	**(4,144,953)**
Cash, beginning of year	1,003,033	5,147,986
Cash, end of year	**$ 102,410**	**$ 1,003,033**
Supplemental Cash Flow Information		
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	$ 63,122	$ 120,816
Amortization included in exploration and evaluation assets	$ 11,035	$ 29,397

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

1. NATURE OF BUSINESS AND GOING CONCERN

WCB Resources Ltd. (the "Company" or "WCB") is currently focused on exploring the Misima gold copper project on Misima Island, Papua New Guinea. The Company has not earned revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not generated revenues from operations. It has incurred losses and negative cash flows from operations since inception and has a deficit of $4,649,599 as at June 30, 2016 (2015 - $4,968,806). The Company's working capital deficit at June 30, 2016 was $34,854 (2015 - surplus of $845,569). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern depends on its ability to successfully raise additional financing. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts different from those stated in the financial information. No adjustments for such circumstances have been made in the financial information.

The head office of the Company is located at Level 10, 110 Mary Street, Brisbane, 4000, Australia, and the registered and records office of the Company is located at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4.

2. BASIS OF PREPARATION

All values are rounded to the nearest dollar, unless otherwise indicated. Areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3(m).

(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").

The significant accounting policies applied in these consolidated financial statements are presented in Note 3 and are based on IFRS effective as at June 30, 2016. These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except certain financial instruments which are measured at fair value and cash flow information.

(b) Approval of the Consolidated Financial Statements

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on October 27, 2016.

(c) Functional and Presentation Currency

The functional currency and the presentation currency of the Company and its subsidiaries is the Canadian dollar. Each of the Company's subsidiaries determines its own respective functional currency, and this currency is used to separately measure each entity's financial position and operating results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the year ended June 30, 2016 and have been applied consistently to all comparative years presented in these consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Consolidation

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Company and its wholly owned subsidiaries, WCB Australia Pty. Ltd. in Australia, WCB Pacific Pty. Ltd. in Australia, WCB PNG Ltd. in Papua New Guinea and WCB PNG Exploration Ltd. in Papua New Guinea. All intercompany transactions and balances have been eliminated on consolidation.

(b) Foreign Currency Transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, income and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the consolidated statement of financial position date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale (“AFS”) financial assets are treated as a separate component of the change in fair value and recognized in profit or loss. Exchange gains and losses on non-monetary AFS financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

(c) Reclamation Bond

Cash that is subject to contractual restrictions on use is classified separately as reclamation bond.

(d) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and amortization on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Conversely, the Company may occasionally enter into farm-in agreements, whereby the Company will obtain part of a mineral interest and, as consideration, must meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the transferor. All expenditures made by the Company are capitalized to exploration and evaluation assets as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Mineral Exploration and Evaluation Expenditures (Continued)

Exploration and Evaluation Assets (Continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to mines under construction.

Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(e) Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided, using the straight-line method, over the following estimated useful lives:

Computer equipment	3 years
Furniture and office equipment	3 years
Motor vehicle	3 years

(f) Impairment of Non-financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized.

(g) Capital Stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placement units. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to the warrants and common shares issued based on the relative fair values of the components.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Capital Stock (Continued)

Where warrants expire or are cancelled, the fair value previously recognized is transferred from warrant reserve to accumulated deficit.

(h) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of operations and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of capital stock.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to capital stock along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where share options expire or are cancelled, the fair value previously recognized is transferred from share-based payment reserve to accumulated deficit.

(i) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercises would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial Instruments**

(i) Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade-date basis. The Company's accounting policy for each category is as follows:

Financial Assets at Fair Value through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Held-to-maturity ("HTM") Financial Assets

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs, and are subsequently measured at amortized cost using the effective interest rate method.

AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial asset categories and are subsequently measured at fair value. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

Management assesses the carrying value of AFS financial assets at every reporting period and any impairment charges are recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments are transferred from other comprehensive income to profit or loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired. Included in loans and receivables is certain other receivables and deposit.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (Continued)

(ii) Financial Liabilities

Financial Liabilities at Fair Value through Profit or Loss

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other Financial Liabilities

Financial liabilities are classified as other financial liabilities, initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Included in other financial liabilities is accrued payables and accrued liabilities.

Derivative Financial Instruments

The Company is not engaged in any derivative contracts.

(iii) Fair Value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

(k) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records management's best estimate of the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Provisions (Continued)

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity including other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted at the reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Deferred income taxes are determined using tax rates and tax laws that have been enacted at the reporting date. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Critical Accounting Estimates and Judgments (Continued)

Estimates

(i) Rehabilitation Provisions

Management's best estimates regarding the rehabilitation provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred. Based on management's best estimate, the Company does not have a rehabilitation obligation as at June 30, 2016 (2015 - $nil).

(ii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with 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 payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

(iii) Income Taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the consolidated financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

Judgments

(iv) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available. During the year ended June 30, 2015, the Company wrote-down the Red Hill project to its fair value less costs to sell, estimated at $nil. Subsequent to June 30, 2015, the Company withdrew from the Red Hill project.

(v) Going Concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Mining and Exploration Tax Credits

The Company recognizes mining and exploration tax credit recoveries in the period in which the related qualifying resource expenditures are incurred. The amount recoverable is subject to review and approval by the taxation authorities and is adjusted in the period when such approval is confirmed.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not early-adopted these revised standards and is currently assessing the impact these standards will have on the consolidated financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Amends IFRS 11 *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11.
- disclose the information required by IFRS 3 and other IFRS for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to the Company's annual period beginning July 1, 2016.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to the Company's annual period beginning July 1, 2016.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

Disclosure Initiative (Amendments to IAS 1)

The amendments:

- Clarify the existing presentation and disclosure requirements in IAS 1, including the presentation of line items, subtotals and notes; and

- Provide guidance to assist entities to apply judgment in determining what information to disclose, and how that information is presented in their financial statements.

Applicable to the Company's annual period beginning July 1, 2016.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 *Income Taxes*)

The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Effective to the Company's annual period beginning July 1, 2017.

Disclosure Initiative (Amendments to IAS 7 *Statement of Cash Flows*)

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Effective to the Company's annual period beginning July 1, 2017.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9. However, for annual periods beginning before January 1, 2018, an entity may elect to apply those earlier versions instead of applying the final version of this new standard if its initial application date is before February 1, 2015.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

Expressed in Canadian Dollars

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

IFRS 9 *Financial Instruments (Continued)*

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

Effective to the Company's annual period beginning July 1, 2018.

5. RECLAMATION BOND

The Company has purchased a $5,000 guaranteed investment certificate ("GIC") required for a reclamation bond with the Ministry of Energy, Mines & Petroleum Resources (the Ministry) in the Province of British Columbia. This is a variable interest rate GIC that matured May 10, 2015. During the year ended June 30, 2016, the Ministry claimed the bond and its interest to pay for site rehabilitation costs on the Company's previously written off Maroon property. There are no further liabilities relating to the reclamation of the Maroon property.

6. OTHER RECEIVABLES

	2016	**2015**
GST receivable	$ 5,110	$ 83,582
Rental deposit	65,900	-
Mining and exploration tax credits	-	2,437
Other	3,622	8,117
	$ 74,632	**$ 94,136**

7. PROPERTY AND EQUIPMENT

	Computer equipment	**Furniture and office equipment**	**Motor vehicle**	**Total**
Cost				
Balance at June 30, 2014	**$ 27,748**	**$ 16,151**	**$ 47,328**	**$ 91,227**
Additions	7,115	-	30,084	37,199
Balance at June 30, 2015	**34,863**	**16,151**	**77,412**	**128,426**
Additions	-	-	-	-
Balance at June 30, 2016	**$ 34,863**	**$ 16,151**	**$ 77,412**	**$ 128,426**
Accumulated Amortization				
Balance at June 30, 2014	**$ 16,534**	**$ 9,473**	**$ 32,503**	**$ 58,510**
Amortization	10,755	5,698	23,699	40,152
Balance at June 30, 2015	**27,289**	**15,171**	**56,202**	**98,662**
Amortization	4,935	980	10,055	15,970
Balance at June 30, 2016	**$ 32,224**	**$ 16,151**	**$ 66,257**	**$ 114,632**
Carrying amounts				
Balance at June 30, 2015	**$ 7,574**	**$ 980**	**$ 21,210**	**$ 29,764**
Balance at June 30, 2016	**$ 2,639**	**$ -**	**$ 11,155**	**$ 13,794**

Expressed in Canadian Dollars

8. EXPLORATION AND EVALUATION ASSETS

	Red Hill Project	EL1747 Misima	Total
Acquisition costs			
Balance at June 30, 2015 and 2016	**$ -**	**$ -**	**$ -**
Exploration costs			
Balance at June 30, 2014	**$ 384,904**	**$ 3,359,605**	**$ 3,744,509**
Assays	-	174,381	174,381
Consulting and administration	36,717	721,372	758,089
Drilling	73,475	1,497,909	1,571,384
Field and miscellaneous	-	265,071	265,071
Geological and geophysical	2,637	309,533	312,170
Impairment	(497,733)	-	(497,733)
	(384,904)	2,968,266	2,583,362
Balance at June 30, 2015	**-**	**6,327,871**	**6,327,871**
Assays	-	51,892	51,892
Consulting and administration	-	171,133	171,133
Drilling	-	122,828	122,828
Field and miscellaneous	-	77,309	77,309
Geological and geophysical	-	28,051	28,051
	-	451,213	451,213
Balance at June 30, 2016	**$ -**	**$ 6,779,084**	**$ 6,779,084**

(a) Red Hill Project

On August 20, 2010, the Company entered into an Option Agreement, as amended on November 14, and 30, 2011 and February 24, 2015, with Elephant Mines Pty. Ltd. ("Elephant") whereby the Company can acquire up to 100% of Elephant's 100% owned interest in the Red Hill copper gold project in central New South Wales, Australia (the "Property").

To acquire an undivided 50.1% right, title and interest in the Property:

(i) WCB must incur an aggregate Australian dollars ("AUD") 1,000,000 of expenditures on the Property during the six year period (the "Option Period") commencing August 30, 2010 (the "Effective Date"). These expenditures include a minimum of AUD 40,000 per tenement per year commencing September 7, 2010 and each anniversary date thereafter during the Option Period; and

(ii) Following WCB attaining favorable geological results on the Property and upon the recommendations of its geologists, the completion of a minimum 300 meter depth drill hole on the Property within two years from the Effective Date.

In addition to the above and commencing on the Effective Date, WCB will pay Elephant AUD 30,000 annually for a period of six years or until it has earned a 100% interest in the Property, whichever is completed earlier.

At any time during the Option Period, WCB may acquire a full 100% interest in and to the Property by paying AUD 1,000,000 in cash and common shares of the Company (the "Second Option Price") to Elephant, provided that no more than 50% of the Second Option Price may be payable in common shares of the Company.

On July 23, 2015, the Company withdrew from the Red Hill Project to focus on EL 1747 Misima and recognized an impairment of $497,733 at June 30, 2015 in accordance with Level 3 of the fair value hierarchy.

Expressed in Canadian Dollars

8. EXPLORATION AND EVALUATION ASSETS (Continued)

(b) EL1747 Misima

As amended on May 31, 2016, the Company is party to a Sale & Farm-In Agreement with PPC covering EL1747 Misima, located on Misima Island, Papua New Guinea.

PPC is the owner of Gallipoli, which is the owner of EL1747 Misima. PPC is owned by JX Nippon Mining and Metals (66%) and Mitsui Mining and Smelting (34%).

Under the terms and conditions of the Sale & Farm-In Agreement, the Company can obtain up to a 70% interest in EL1747 Misima by spending a total of AUD 9,000,000 by March 31, 2018 as follows:

(i) A 30% interest in Gallipoli for expending AUD 1,000,000 (complete);
(ii) A further 19% interest (for a total interest of 49%) by expending a further AUD 3,000,000 by March 31, 2015 (complete); and
(iii) A further and final 21% interest (for a total interest of 70%) by expending a further AUD 5,000,000 by March 31, 2018.

The Company has earned a total of 49% in the project. Should the Company elect not to proceed further to fully earn the full 70% interest, the parties will enter into a joint venture in which standard dilution formulas will apply for non-contribution. PPC retains the right to an offtake agreement for all mineral production within EL1747 based on prevailing metal prices and a commercial term basis. Further exploration expenditures are being applied against the final 21% interest under the Sale & Farm-In Agreement.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	**2015**
Accounts payable	$ 1,806	$ 150,182
Accrued liabilities	29,000	52,897
Due to related parties (Note 11)	212,238	58,871
	$ 243,044	**$ 261,950**

10. CAPITAL STOCK

(a) Authorized

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

The holders of common shares are entitled to receive dividends, which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regard to the Company's residual assets.

(b) Issued and Outstanding

During the year ended June 30, 2016, there were no common shares issued.

During the year ended June 30, 2015, 140,000 options with a fair value of $6,174 were exercised to purchase 140,000 common shares in the Company at a price of $0.10 per option for gross proceeds of $14,000.

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

(c) Warrants

Details of the status of the Company's warrants as at June 30, 2016 and 2015 and changes during the years then ended are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at June 30, 2014	**22,222,222**	$ 0.50
Warrants issued	300,000	$ 0.25
Balance at June 30, 2015	**22,522,222**	$ 0.50
Warrants expired	(11,111,111)	$ (0.40)
Balance at June 30, 2016	**11,411,111**	$ 0.58

During the year ended June 30, 2016, 11,111,111 warrants with a fair value of $786,573 expired.

During the year ended June 30, 2015, 300,000 warrants with a fair value of $20,169 were issued as compensation. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.25 for a period of 36 months following closing.
The warrants outstanding at June 30, 2016 are as follows:

Number of Warrants	Exercise Price	Expiry Date
11,111,111	$ 0.60	April 7, 2017
300,000	$ 0.25	March 9, 2018
11,411,111		

The warrants outstanding at June 30, 2015 are as follows:

Number of Warrants	Exercise Price	Expiry Date
11,111,111	$ 0.40	October 7, 2015
11,111,111	$ 0.60	April 7, 2017
300,000	$ 0.25	March 9, 2018
22,522,222		

(d) Options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants in consideration for services.

Under the terms of the Plan, the exercise price of each option will not be lower than the market price of the Company's shares on the TSX Venture Exchange at the time of grant. Options granted may have a maximum term of five years. Vesting terms are determined at the time the options are granted. The aggregate number of shares that may be reserved for issuance to satisfy the exercise of options granted under the Plan may not exceed 11,580,000 options and to each individual may not exceed 5% of the issued shares.

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

(d) Options (Continued)

Details of the status of the Company's stock options as at June 30, 2016 and 2015 and changes during the years then ended are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2014	**3,975,000**	**$ 0.45**
Exercised	(140,000)	$ 0.10
Expired	(1,125,000)	$ 0.39
Forfeited	(200,000)	$ 0.10
Options outstanding as at June 30, 2015	**2,510,000**	**$ 0.50**
Expired	(200,000)	$ 0.30
Forfeited	(200,000)	$ 0.30
Options outstanding as at June 30, 2016	**2,110,000**	**$ 0.54**
Options exercisable as at June 30, 2016	**2,110,000**	**$ 0.54**

The stock options outstanding at June 30, 2016 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (Years)	Exercise Price
June 29, 2017	610,000	1.00	$ 0.60
October 16, 2017	200,000	1.30	$ 0.60
June 12, 2019	1,300,000	2.95	$ 0.50
	2,110,000	2.23	$ 0.54

The stock options outstanding at June 30, 2015 are as follows:

Expiry Date	Number of Options	Weighted Average Remaining Contractual Life (Years)	Exercise Price
June 12, 2016	400,000	0.95	$ 0.30
June 29, 2017	610,000	2.00	$ 0.60
October 16, 2017	200,000	2.30	$ 0.60
June 12, 2019	1,300,000	3.95	$ 0.50
	2,510,000	2.87	$ 0.50

During the year ended June 30, 2016:

(i) 200,000 options with an exercise price of $0.30 and fair value of $27,374 were forfeited.
(ii) 200,000 options with an exercise price of $0.30 and fair value of $27,373 expired.

Expressed in Canadian Dollars

10. CAPITAL STOCK (Continued)

(d) Options (Continued)

During the year ended June 30, 2015:

(iii) On July 10, 2014, 475,000 options with an exercise price of $0.25 and fair value of $25,793 expired.
(iv) On July 28, 2014, 200,000 options with an exercise price of $0.45 and fair value of $41,142 were forfeited.
(v) On April 8, 2015, 140,000 options with a fair value of $6,174 were exercised to purchase 140,000 common shares in the Company at a price of $0.10 per option for gross proceeds of $14,000.
(vi) On April 8, 2015, 150,000 options with an exercise price of $0.10 and fair value of $6,615 expired.
(vii) On May 22, 2015, 500,000 options with an exercise price of $0.60 and fair value of $110,450 expired.
(viii) Included in share-based payments is $52,277 related to vesting of options granted in prior years.

Share-based payments expense for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Directors (Note 11)	$ -	$ -
Consultants	-	72,446
Employees	-	-
	$ -	$ 72,446

11. RELATED PARTY TRANSACTIONS AND BALANCES

Included in accounts payable and accrued liabilities is $212,238 (2015 - $58,871) owing to directors of the Company.

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management relating to consulting fees and amounts capitalized to exploration and evaluation assets for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Short-term benefits	$ 301,207	$ 559,054

Short-term benefits capitalized to exploration and evaluation assets during the year ended June 30, 2016 totaled $54,244 (2015 – $211,115).

Expressed in Canadian Dollars

12. INCOME TAXES

The Company has non-capital losses of $7,627,600 available that may be carried forward and applied against future income for income tax purposes in all jurisdictions. The non-capital losses expire as follows:

Available to	Amount
2027	$ 200
2028	48,000
2029	40,700
2030	132,300
2031	138,000
2032	820,100
2033	791,200
2034	887,200
2035	947,600
2036	505,800
Non-expiring carry-forward non-capital losses	3,316,500
	$ 7,627,600

The Company recognizes tax benefits on losses or other deductible amounts generated where the criteria for the recognition of deferred tax assets have been met. Consequently, the Company has tax assets relating to deductible temporary differences and unused tax losses of $1,968,000 for which no deferred tax asset is recognized, as it is not probable that the deferred tax assets will be realized in the future.

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at June 30, 2016 and 2015 are presented below:

	2016	2015
Deferred income tax assets:		
Non-capital losses	$ 289,213	$ -
Total deferred income tax assets	289,213	-
Deferred income tax liability:		
Exploration and evaluation assets	(289,213)	-
Net deferred income tax liabilities	$ -	$ -

The following are the deductible temporary differences for which no deferred tax assets are recognized in the consolidated financial statements:

	2016	**2015**
Tax basis in excess of carrying value of property and equipment	$ 31,465	$ 21,700
Tax basis in excess of carrying value of exploration and evaluation assets	-	583,400
Share issuance costs	14,221	42,600
Non-capital loss carry-forwards	7,627,515	3,980,700
	$ 7,673,201	$ 4,628,400

Expressed in Canadian Dollars

12. INCOME TAXES (Continued)

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate to income before income taxes. The reasons for the differences are as follows:

	2016	2015
Statutory tax rate	26.00%	26.00%
Expected income tax recovery	$ 135,749	$ 451,594
Items non-deductible for tax purposes, net	97	(122,534)
Temporary differences	(18,511)	26,370
Impact of foreign exchange on tax assets and liabilities	(70,914)	-
Effect of change in tax rates	-	80
Adjustment due to effective rate attributable to income taxes of other countries	1,730	(680)
Unused tax losses and tax offsets not recognized in tax assets	(48,151)	(354,830)
	$ -	$ -

13. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as fair value through profit or loss; reclamation bond, as held-to-maturity; rental deposit and certain other receivables, as loans and receivables; and accounts payable and accrued liabilities, as other financial liabilities.

(a) Fair Value

The carrying values of the reclamation bond, rental deposit, certain other receivables, as well as accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of the deposit also approximates its fair value based on Level 1 of the fair value hierarchy.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and reclamation bond and for its rental deposit. The Company is exposed to credit risk to the extent of its rental deposit, as its cash and reclamation bond are placed with major Canadian and Australian financial institutions.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash and other receivables at June 30, 2016 in the amounts of $102,410 and $74,632 (2015 - $1,003,033 and $94,136), respectively. At June 30, 2016, the Company has accounts payable and accrued liabilities of $243,044 (2015 - $261,950) with contractual maturities of less than 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, interest rates and foreign currencies. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

13. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar, primarily in AUD. The Company has net monetary liabilities of AUD 141,212 (2015 - net monetary assets of AUD 741,073). Stated at the Canadian dollar equivalent, the Company had net monetary liabilities of $136,134 (2015 – net monetary assets of $707,661) denominated in AUD.

For the year ended June 30, 2016, the Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD by 1% will have an effect on the Company's business, financial condition and results of operations in the amount of approximately $1,400 (2015 - $7,400).

The Company does not manage currency risk through hedging or other currency management tools.

(ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at June 30, 2016.

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral property interests.

The Company defines its managed capital as capital stock and stock options. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are sufficiently funded.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will be able to continue this form of financing due to uncertain economic conditions.

There have been no changes to the Company's approach to capital management during the year. The Company is not exposed to any externally imposed capital requirements.

Expressed in Canadian Dollars

15. SEGMENTED REPORTING

The Company has one operating segment, the exploration of gold copper projects in Australia and Papua New Guinea, with a corporate office in Canada. The geographical segmentation of the Company's non-current assets is as follows:

	Canada	Australia	Papua New Guinea	Total
As at June 30, 2016				
Property and equipment	$ 1,607	$ 1,032	$ 11,155	$ 13,794
Exploration and evaluation assets	-	-	6,779,084	6,779,084
Total non-current assets	$ 1,607	$ 1,032	$ 6,790,239	$ 6,792,878
As at June 30, 2015				
Property and equipment	$ 5,524	$ 2,050	$ 22,190	$ 29,764
Exploration and evaluation assets	-	-	6,327,871	6,327,871
Rental Deposit	76,933	-	-	76,933
Total non-current assets	$ 82,457	$ 2,050	$ 6,350,061	$ 6,434,568